Daily Report

Latin America

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FBIS-LAT-92-081 *27 April 1992*

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Peru

President Alberto Fujimori issues a statement on Lima radio about the Peruvian fighter that had fired on a U.S. C-130. Fujimori says that he has appointed a commission to investigate the incident and the initial report of the commission finds that the U.S. aircraft "did not show a flag" and ignored "all warnings" issued to unidentified aircraft without flight authorization from entering a nation's airspace. Fujimori expresses his "regret" for the death of one of the U.S. crew and claims that no communications have occurred with President Bush and no "misunderstanding" has resulted from the incident.

In a broadcast on Lima radio, Fujimori warns lawmakers of the dissolved Congress that they may not pass any laws because they would be "usurping the functions" of his national emergency and reconstruction government. The warning was reiterated in the form of a decree published in EL PERUANO, which announces prison terms for anyone "without title or appointment" who usurps a public post and "empowers himself to give military or police orders." In an AFP report on 25 April, "parallel" president San Roman states that Fujimori's government has unleashed "political persecution" against him and members of the dissolved Congress in issuing the new decree. San Roman claims that "he who usurps power has no right to try to put anyone in jail" and that Fujimori timed his new decree to be issued after the departure of the OAS mission.

Lima radio reports that Oscar De la Puenta Raygada, president of the Council of Ministers, is sworn in as the new foreign relations minister, replacing Augusto Blacker Miller. Lima TV says Blacker Miller and Victor Joy Way Rojas, outgoing industry, commerce, tourism, and integration minister, had differences with Minister Carlos Bolona, which was the reason for their resignations. Maria Herminia Drago Correa was named as the new comptroller general, Lima TV reports.

Venezuela

A police strike and student demonstration continued in Merida on 25 April resulting in a "virtual state of siege," Hamburg DPA reports. In response to the unrest, the government issued a decree that asks the National Guard and the Army to carry out police functions until the police organization can be reorganized. Hamburg DPA reports that unrest may spread to Caracas, where police sources say on 27 April they will hold a "sit-down strike" to demand better wages and satisfy other claims.

El Salvador

The government intends to maintain normal relations with Peru, according to a report from San Salvador TV.

ACAN reports that the FMLN says "it is necessary to negotiate new dates with the government for expediting compliance with the peace accords." Meanwhile, AFP says that the FMLN is suspending troop concentrations at 15 locations, "after the government announced new joint maneuvers between the Salvadoran Armed Forces and U.S. troops."

Haiti

Port-au-Prince radio reports that a joint statement issued by the National Assembly, the provisional government, and the Haitian Army announces a meeting on 29-30 April in Port-au-Prince to discuss a solution to the country's crisis.

Cuba

Castro Sends Condolences to Mexicans

FL2404234892 Havana Radio Rebelde Network in Spanish 2300 GMT 24 Apr 92

[Text] Today Cuban President Fidel Castro sent a message of condolences and solidarity to the Mexican Government and people as a result of the tragic events which occurred in Guadalajara. The message was addressed to Mexican President Carlos Salinas de Gortari and to the family members of the accident victims on behalf of the Cuban Government and people.

The message says: We share the pain and sorrow that your citizens feel, especially the people of the beautiful city of Guadalajara and the state of Jalisco, who with such affection and friendship welcomed us on the occasion of the first Ibero-American summit.

The message also says: We want to express the willingness of the Cuban Government and people to help as much we can in caring for the victims of this tragic accident.

Kennedy Plan To Topple Castro Confirmed

FL2504011492 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 Apr 92

[Text] In Washington, a group from the National Archives was able to obtain the declassification of official documents which confirm that the U.S. Government had plans to topple the Cuban Revolution before, during, and after the 1962 October Missile Crisis.

Phillip Brenner, member of the group and a participant at the recent Third Tripartite Conference on the 1962 October Missile Crisis, assured that the documents confirmed that the administration of President John Kennedy was willing to go to dangerous lengths to eliminate the revolutionary government headed by Fidel Castro.

According to the Spanish news agency EFE, the papers indicate that the United States did everything possible to break their promise to not invade Cuba.

Anti-Imperialist Tribunal Condemns U.S. Embargo

FL2504181592 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Apr 92

[Text] The Anti-Imperialist Tribunal of Our America [TANA] has just issued a document in which it expresses a most energetic condemnation and rejection of the statement made by the President of the United States. President Bush had announced plans to intensify the embargo against Cuba. The declaration by TANA, which is headed by Dr. Guillermo Toriello, states that Bush, as part of his electoral campaign, intends to increase the unfair embargo against Cuba by using extortion and pressure against governments with trade and humanitarian relations with our country. The declaration compares the propaganda techniques used by the U.S. Government against Cuba with those used by Hitler in his time to conquer the world, and calls for all Third World nations to create a new antifascist world front to oppose the Yankee abuse.

Lastly, TANA expresses its profound admiration for the heroic people of Cuba, its government, and for the demonstrations of patriotism, national identity, and the defense of sovereignty they show the world.

Diplomats Reject Assault on Embassy in Kabul

PA2704011992 Havana Radio Havana Cuba in Spanish 0000 GMT 27 Apr 92

[Text] Cuban diplomats rejected an attempt by armed groups to enter our country's embassy in Kabul, the capital city of Afghanistan. The embassy had been occupied by mojahidin opposition groups. A note issued in Havana by the Foreign Ministry reports the officials in charge of safeguarding the territorial integrity of the embassy and protecting Cuban citizens, defended the national sovereignty of the places under their jurisdiction.

The Cuban Ministry of Foreign Relations reported the incident to UN Secretary General Butrus Ghali, who is presently visiting that region. The official Cuban note adds there have been no further incidents reported.

Politburo Delegation Visits Granma Province

FL2404182792 Havana Radio Rebelde Network in Spanish 0900 GMT 24 Apr 92

[Text] Headed by Army General Raul Castro Ruz, the second secretary of the Central Committee of the Communist Party of Cuba, a Politburo delegation arrived in Granma Province on 22 April. This delegation will be touring the area for several days. Accompanying Revolutionary Armed Forces Minister Castro are Army Corps Gen. Abelardo Colome Ibarra, the minister of the interior; Jose Ramon Machado Ventura; Division Gen. Ulises Rosales del Toro, chief of the Armed Forces General Staff; and Roberto Robaina, first secretary of the Union of Young Communists, all members of the Politburo; as well as several Central Committee members and officials.

A broad exchange of opinions took place during the morning at the headquarters of the party provincial committee, among the party delegation, the political leaders of the people's government, and economic entities in Granma Province. This exchange of opinions concerned the principal tasks being carried out in Granma Province, with a view to confronting the current conditions of the special period. The large delegation then toured numerous work centers and other places of interest in all of Granma Province's municipalities.

Grenada

New Ministers, Reshuffled Portfolios Announced

FL2404175792 Bridgetown CANA in English 1710 GMT 24 Apr 92

[By Richard Simon]

[Text] St. George's, Grenada, April 24, CANA—Grenada's Prime Minister Nicholas Brathwaite has reshuffled his cabinet. The changes, effective next Monday, involve new finance, agriculture, and public utilities ministers.

Current Finance Minister George Brizan is being switched to the Ministry of Agriculture. Brizan, however, will still be responsible for trade, industry, production, and energy.

The new finance minister will be Tillman Thomas, who now holds the public utilities, communications, and works portfolio.

Phinsley St. Louis, now agriculture minister, will take over public utilities.

Planning, which had been Brizan's responsibility, has been added to Brathwaite's long list of portfolios.

Brathwaite is responsible for planninhg, external affairs, Carriacou affairs, political unification, national security, and personnel and management services.

Brathwaite's information portfolio is going to Carlisle Glean, the education minister.

Dennis Noel, currently parliamentary secretary in the ministry of agriculture, is being switched to external affairs.

The changes were announced by Governor General Sir Paul Scoon Friday. Sir Paul did not explain the reasons behind the changes.

Haiti

National Leadership Meets, Agrees To Talks

FL2404234392 Port-au-Prince Radio Metropole in French 2200 GMT 24 Apr 92

[Text] The main headline in today's news is the joint statement issued this evening by the Haitian parliament, the provisional government, and the Haitian Army, which announces the holding of a meeting on 29 and 30 April 1992 in Port-au-Prince. The results of this meeting on the Haitian crisis will be released on 1 May.

In this joint statement, it should be noted that the provisional president of the Republic, Justice Joseph Nerette, participated in the meeting this morning and pointed out in his opening statement that the debates must take place within the scope of Constitutional provisions.

In his answer, the president of the Senate, Engineer Dejean Belizaire, stressed the painful situation of the country and the urgent need to resolve as soon as possible this political and national crisis.

The parties have agreed to meet on 29 and 30 April from 1400 GMT to 2200 GMT in order to continue their work. The results will be presented to the Haitian nation on 1 May 1992.

It has also been agreed that, in order to facilitate the work of the participants, each party will prepare a proposal for a solution, which will be submitted to discussion. A press release will be issued at the end of each day of work. The meetings will take place at the Villa D'Acceuil in Port-au-Prince.

During this morning's session, the provisional executive presented a proposal for a joint statement denouncing the discriminatory attitude of the OAS vis-a-vis the Republic of Haiti in the light of the resolution taken toward Peru. This proposal was given the most serious attention of the participants who agreed, rather, to limit themselves to the goals of today's meeting.

The discussions took place in a calm and cordial atmosphere, which reveals the willingness and the determination of all the parties present to produce a favorable solution to the Haitian crisis.

This joint statement is signed by the provisional president, Justice Joseph Nerette, Prime Minister Jean-Jacques Honorat, Senate President Dejean Belizaire, Chamber of Deputies President Alexandre Medard, and Lieutenant General Raoul Cedras, commander in chief of the Haitian Armed Forces.

Theodore on National Consensus Regime Plans

FL2404214292 Port-au-Prince Radio Metropole in Creole 2005 GMT 24 Apr 92

[Address by Rene Theodore, leader of the United Party of Haitian Communists, in Port-au-Prince on 23 April, recorded—carried as a paid announcement]

[Text] Haitian people: We are today living through the biggest catastrophe in this country's history. We are living without jobs. We are pillaging the land with no results. We are living through hunger. The little money is melting in our hands. We are living, but we are not living. The main problem of this country is poverty. Haiti does not produce enough wealth to give each Haitian as little as 2000 gourdes a year. There is no country as poor as ours in the region. This poverty is sickness; this poverty is hunger; this poverty is children, who cannot go to school; this poverty is unemployment.

In fact, Haiti's true problem is work. Unfortunately, due to this poverty, the country does not have enough money in reserve in the hands of the peasants nor in the hands of the government so agricultural development and general development can be launched on the basis of the

peasants' and the government's efforts. Today, the coffers of the state are completely empty. Our currency is worthless.

The government of national consensus and unity will assume its responsibilities to create conditions to boost the country's economy. (?Those who have) private funds will feel at ease and confident to invest in the country. Instead of going abroad, Haitian money will stay here and foreign money will feel like entering here to create jobs in agriculture, industry, handicrafts, and tourism.

The conditions that the government of national consensus and unity will make are, first, self-efforts to put order in the state budget so we can get rid of deficits. There will be less credit for the government; more credit for farmers, craftsmen, shopkeepers, industrialists; more credit for all people, who are undertaking activities to create jobs. This way, there will be a production of material wealth that guarantees the money. The government will play the role of arbiter with no bias or partiality in the economy so there can be competition and so there can be fair prices in favor of everybody.

The government will organize the tax department so all funds that citizens must pay to the state can go to the coffers of the state. If taxes are not paid, there is no good hospital care; no electricity; no road work; no garden hose; no drinking water; no sanitation. This means there is no development. To pay taxes requires an administration that offers good service. The administration will be decentralized, will operate nationwide so services can be provided wherever needed. The law on the protection of state employees will be implemented so they be at ease and work satisfactorily.

The government of national consensus and unity will create conditions to repay the country's debts toward foreign countries, which are not being paid. That will allow us to continue to receive the money that is necessary for starting the reconstruction of the country.

The government, which will consolidate democracy, will make many efforts to strengthen national institutions: Parliament, justice, territorial communities, and so on. It will set up all other institutions which the Constitution provides for and which will spare no efforts so all guarantees of freedom provided for by the Constitution can be respected. The reinforcement of these institutions, as well as the respect of civil rights and freedom, is necessary so development can go.

We cannot be living in a country where people have problems going from one place to another. Under my government, the Grand'Anse will not remain apart, cut off from the rest of the country. The Port-de-Paix road will finally be built. The northwest and the north must be linked through Borgne. The people of Les Anglais will not have to go through Les Cayes to get to Jeremie. Some regions of the Plateau Central will not be cut off from Hinche during the rainy season. The roads leading to the border cities will be asphalted to favor tourism and trade throughout the island. The national highways and the streets in the cities will be repaired and a permanent maintenance service will be established for all of them. We must stop wasting what we have. The southeast roads (?will be repaired) so Anse-a-Pitres and Thiotte can be easily linked to both Jacmel and Port-au-Prince. As regards the Carrefour road, we will take all necessary steps so traffic can become normal so workers, students, and other passengers stop having problems while using it.

A country cannot progress and develop without proper town planning. The rules are there and must be respected. The government will be faced with the problems of trash, drainage, and potable water. It is not right that every little rain causes floods and threatens the lives and property of the citizens in many regions of the country.

As for the trash problem, there must be a solution, no matter whether it is in the public or private sector. The $20 million project of the Autonomous Metropolitan Office of Potable Water [Centrale Autonome Metropolitaine d'Eau Potable, CAMEP], which has been suspended, must start up at once, as well as all other POCHEP [expansion unknown] projects that have been suspended.

Modern economic development implies development of electricity, development of telecommunications for the functioning of industries, agriculture, trade, tourism, and the general comfort of the people. The electric power stations installed in the country will be repaired as a matter of urgency and developed. The Peligre hydroelectric power station must serve the irrigation needs of the Artibonite plain. The government of national consensus and unity will seek funds and will encourage investments to exploit the energy resources that we still have and some big rivers in the country. The economic misfortune and waste that hit Peligre must not happen in other places where hydroelectric power stations will be installed.

All town planning works will help in protecting the lives of children and adults, and maintaining public sanitation, but that will not be sufficient to solve the health problems in the country. The government will make all efforts to provide the people with a broader vaccination program, more appropriate nutrition for children, to see to it that the existing hospitals provide more effective service, and to take all measures that are necessary to protect the people's health.

In order to prepare people for development, the government of national consensus and unity will give education the place it deserves. The government will primarily encourage the organization of general and vocational training that will be of use in agriculture, tourism, handicraft, and construction. It is also this education that will improve the quality and the value of Haitian labor. This effort is necessary in a country where we foresee the investment of capital that will require qualified workers. The government will encourage the development of universities in the departments and efforts, so

what is taught at the university corresponds to the needs of the social and economic development of the country. The graduates will then have opportunities in their own country and will stop going abroad in search of a better standard of living. As the Constitution says, it is an autonomous university that is most appropriate to development needs.

The embargo that the country has experienced has destroyed all Haiti's industrial base. Many enterprises have been forced to close. Many enterprises are bankrupted. Those that are still open have problems repaying their loans to the bank. The banks in the country are on the brink of collapse.

The government of national consensus and unity will find money to finance the debts and to help rebuild the operational funds through the commercial banks. That will allow many people who left their jobs to get their jobs back. That will allow dollars to again come into the country. That will save the banking system. That will relieve the gourde. All these decisions, decisions on infrastructure, administrative decisions will facilitate industrial development and improve competitiveness so Haitian goods stop costing more than the goods from everywhere else.

In the scope of this government of national consensus and unity, the relationship between the government and the business sector must become institutionalized so that investors participate in economic decisions. Such an institutionalization will help modernize business and remove all the barriers that prevented investments from being made without problems, without bribes in all sectors. For that, we will set up a National Board for Development and Investment.

As for the country's agricultural sector, the government of national consensus and unity wants to insure its development and to invest in irrigation and water supply wherever possible. The government will take the necessary measures for the permanent maintenance of the irrigating and watering system. It will set up a regional organization for that. The government will take measures to provide banks for the masses and the training that will help them be in charge of the credit that the government will put at their disposal. The government will favor the creation of agricultural banks in order to bring financing to the countryside. The government will make sure that credit really reaches the peasants in order to improve production. The problem of credit for peasants is related to the security that they must have regarding their property.

The government will establish a legal structure, more modern, that will help guarantee properties and transactions on properties. The government will give money to protect the ravines and the mountains so that the soil stops going to the sea when it rains and so we do not continue to lose the rains. We will stop just talking about reforestation. The government of national consensus and unity will carry out reforestation.

The government of national consensus and unity will encourage the grouping of peasants' houses in villages so that it becomes easier to bring drinking water, power, health care, education, and security for peasants.

As for workers' jobs, it is a social pact that can guarantee the protection and the workers' rights as well as insuring a normal economic development for all. This special question will be discussed with all partners. This also means stability and security for Haiti.

Problems with development, peasants, education, and health must also be solved by security, which is related to justice. Justice as a whole is a priority in the democratic program of the government of national consensus and unity. The government will use every means for Haitian justice to become credible and honorable. The government will give justice what it needs to respect administrative and legal norms. The police will have the means [rephrases], the government will give means to the police to play its role as an auxiliary of justice as it is supposed to be. The government will open schools in order to train judges and will improve the salaries of justice employees. The government will build respectable premises in order that justice can be applied in all instances. The government will guarantee human rights, freedom of speech, and the right of citizens to be informed on the government's activities.

Regarding the professionalization of the Army, the government of national consensus and unity will do everything possible to find funds for the training of Army members, to promote professionalism and skill in the Army, so that the military may contribute to national development.

This address is the result of a group that has worked under my guidance and it is my proposal to all sectors in the society, to the political parties, the Army, the labor unions, the peasants, the businessmen, the socio-professional sectors for a gathering [tet ansam] to extricate the country from the deadlock that it is facing now.

All that has been said is possible if the people, who are charged with releasing the country, do so. Today I must tell you that you either agree to continue living the way you are living now, remaining with your hands crossed, with the solution that they give you, which is convenient to them, or you agree with me— we must extricate the country from this mess and you must give yourself the opportunity to live as a human being with all your rights.

If this is the case, play your part. Shoulder your responsibilities so that the country can be released.

Haiti shall not perish!

El Salvador

Government To Maintain Relations With Peru

PA2504002192 San Salvador TCS Television Network in Spanish 1200 GMT 24 Apr 92

[Report by Samuel Arias; passages in quotation marks are recorded]

[Text] The Salvadoran Government maintains normal relations with Peru, awaiting the return of democracy to that country, recently broken by President Alberto Fujimori's institutional coup. Here is Deputy Foreign Minister Ricardo Orlando Valdivieso.

[Valdivieso] "Relations between El Salvador and Peru are excellent and normal."

That was Deputy Foreign Minister Valdivieso's description of diplomatic and commercial relations between El Salvador and Peru, a country currently facing a serious political crisis as a result of President Alberto Fujimori's institutional coup and the creation of a parallel government with another constitutional president elected by those who do not support the coup.

For the time being, President Cristiani's government only recognizes one Peruvian president.

[Valdivieso] "We could say that El Salvador recognizes the president who was elected by the people, to put it in positive terms. Instead of saying we do not recognize someone, we say that we do recognize President Fujimori."

The government's position in regard to the Peruvian crisis is one of expectation and encouraging President Fujimori's compliance with his promises to restore democracy as soon as possible.

[Valdivieso] "That is our position for the time being. We must wait and give President Fujimori time to completely restore his government's legitimacy."

Like the coup d'etat in Haiti and the aborted coup in Venezuela, this, too, is a bad example for the other new democracies in the hemisphere. Valdivieso said we must learn from those experiences.

[Valdivieso] "What President Cristiani's government must do is try to capitalize on what may be described as a mistake, so that it will never happen here. We must have faith in democracy. We must insist on the need to continue to build the institutions of the democratic system."

For now, the Salvadoran Government is hoping President Fujimori's government will permit the restoration of democracy in Peru. As some government officials have said, the Peruvian crisis should be a lesson for Central American countries, particularly for our country, so we do not commit the same mistakes here.

FMLN Demands New Schedule for Peace Accord

PA2404191092 Panama City ACAN in Spanish 1924 GMT 23 Apr 92

[By Cristina Hasbun de Merino]

[Text] San Salvador, 23 Apr (ACAN-EFE)—The Salvadoran guerrillas have said it is necessary to negotiate new dates with the government for expediting compliance with the peace accords that were signed in January. They added that this is necessary given the delays in the schedule that could jeopardize the process if they continue.

Marco Jimenez, member of the Political Committee of the Farabundo Marti National Liberation Front (FMLN), has told ACAN-EFE that the negotiation of new dates was proposed to the United Nations by an FMLN delegation that arrived in New York on 19 April.

Jimenez did not rule out the possibility that Marrack Goulding, joint secretary of UN peacekeeping operations, may visit the country again shortly to promote mechanisms to expedite compliance with the peace treaty.

Goulding visited El Salvador in mid-March, and he managed to have the parties reach agreements to solve a crisis caused by a land dispute in the former conflict-ridden areas. The FMLN pledged to present a more realistic land inventory and not to promote new land takeovers by groups of peasants, and the government promised to suspend the evictions.

New difficulties, such as the installation of the future National Civilian Police (PNC) are added to the land problem, which has not yet been totally resolved by the parties. Members of the FMLN could reportedly become members of the PNC.

The National Commission for the Consolidation of Peace (Copaz), formed by representatives of the government, FMLN, and political parties represented in the legislature, has not yet presented President Cristiani with the names of the three candidates from which the PNC director will be elected. According to the schedule for the implementation of the agreements, this official should have been appointed on 2 March.

In addition, the government has accused the FMLN of a lack of willingness to complete the concentration of its military forces in the pre-established sites prior to the conclusion of the cease-fire process on 31 October of this year.

Gerson Martinez, member of the FMLN Political Committee, has admitted that the FMLN has not fully complied with this process, but he affirmed that the government also maintains positions supporting the National Guard and the Treasury police, and these security corps should have been completely dissolved on 2 March.

Radio Venceremos, mouthpiece of the FMLN, reported on 22 April that the Army has retaken positions in the northern Chalatenango Department in "open violation" of the peace accords. This report was rejected by Deputy Defense Minister General Orlando Zepeda, who interpreted it as "a pretext to mobilize some kind of armed unit."

Martinez stated that, given this situation, the mediation of UN Secretary General Butrus Ghali "is still valid." In this regard, he said the steps that can be taken in this process by the U.S. Government and the countries of the "Group of Friends" of the UN Secretary General's Office—namely Mexico, Spain, Colombia, and Venezuela—are important.

Meanwhile, the UN Observers for El Salvador (ONUSAL) has denounced a campaign against it by "minority sectors that are opposed to the peace accords" and to ONUSAL's task of verifying compliance.

Since its installation in El Salvador in July of 1991, the international mission has been subjected to threats and harsh criticism from rightist sectors, which accuse it of favoring the FMLN.

FMLN Suspends Concentration of Forces

PA2604012292 Paris AFP in Spanish 2319 GMT 25 Apr 92

[Text] San Salvador, 25 Apr (AFP)—The Salvadoran guerrillas suspended concentration of their forces in the 15 points established in the peace agreements. Rebel sources reported the suspension occurred after the government announced new joint maneuvers between the Salvadoran Armed Forces and U.S. troops.

Farabundo Marti National Liberation Front (FMLN) sources indicated in San Salvador that the second phase of the separation of forces set out in the peace agreements signed in January, which ended the 11-year civil war, "has been temporarily suspended."

On 23 April, a large group of FMLN commanders assembled at Guazapa Hill, 24 km from the capital, and announced they were initiating the withdrawal of their forces as a sign of "goodwill" and in compliance with the peace agreements.

On 24 April, there was extensive troop movement from the El Carmen camp in La Paz Department, to La Sabana, a coastal area in the central part of the country.

President Alfredo Cristiani and Defense Minister Rene Emilio Ponce, however, this week requested authorization from Congress to conduct naval exercises in the former rebel areas of influence. This action apparently caused the despair among the FMLN leadership.

Congress should reply to the request by next week.

A rebel spokesman said the movement of the FMLN combatants was halted "until new orders" are received and labeled the joint maneuvers scheduled from 2 to 18 May on the coasts of Usulutan, San Miguel, and La Union Departments, as a "provocation."

On 1 February—the date when the cease-fire came into effect—the parties initiated the first phase of separation of forces, which concluded on 8 February with no setbacks. The second phase, however, did not conclude on 2 March as scheduled.

The government and the guerrillas accuse each other of "noncompliance" with the peace document signed through UN mediation.

Leftist political leaders feel the crisis in the implementation of the agreements took a turn for the worst last week and believe it will be difficult for the first 20 percent of FMLN combatants to join civilian life on 1 May, as had been foreseen.

On 25 April, guerrilla leaders concluded a five-day visit to UN headquarters in New York where they met with Marrack Goulding, UN under secretary general.

The rebel delegation, led by Commander Jorge Shafik Handal, accused the government of "evading compliance" with the peace agreement.

Official sources confirmed that on 27 April, Presidency Minister Oscar Santamaria and General Mauricio Vargas, deputy chief of the Armed Forces Joint Chiefs of Staff, will also travel to UN headquarters to analyze the progress in the peace process.

Opposes Joint Exercises With U.S.

PA2504022492 San Salvador Radio Cadena YSU in Spanish 1230 GMT 24 Apr 92

[Text] The Farabundo Marti National Liberation Front [FMLN] on 24 April rejected a request submitted by the government and the Salvadoran Armed Forces to the Legislative Assembly to conduct joint military operations with U.S. ships and troops. The U.S.-Salvadoran naval exercises would be conducted from 2 to 18 May in the area between Jiquilisco Bay and the Gulf of Fonseca. Commenting on the matter, Roberto Canas, a member of the FMLN Political and Diplomatic Commission, summarized the guerrilla stance on the request.

[Begin Canas recording] Greetings, YSU listeners. With a mixture of dismay and total rejection, we have learned General Rene Emilio Ponce, defense and national security minister, submitted a request to the Legislative Assembly to conduct naval exercises, or rather, joint military and naval exercises, between the Salvadoran Army and Navy and the U.S. Government.

The FMLN wants to express its strongest rejection of this request. We believe this sort of proposal is truly worrisome at any time, but at this time it casts doubt on the true commitment of the government and the Armed Forces to comply with the agreements made in the negotiating process. To propose to conduct these types of

war maneuvers constitutes a violation of the spirit of the agreements. Furthermore, it is a direct attack on the peace process. I would like to conclude my statement by calling on all Salvadorans to pay attention to this kind of development. What the negotiations actually achieved was a possibility.... [pauses] The peace we yearned for so much makes these types of military maneuvers truly worrisome and dangerous. We are calling on all sectors of society not to let this happen and to express their views regarding a matter that is truly worrisome. [end recording]

Rebel Radios To Inaugurate New Equipment

PA2404215092 San Salvador Radio Cadena YSU in Spanish 1800 GMT 24 Apr 92

[Text] The formerly clandestine Radio Venceremos will begin broadcasting from San Salvador Volcano as soon as it inaugurates its equipment on 26 April. According to a rebel source, the transmitter has a 5,000 watt capacity in the FM mode and will start to transmit at half-strength. The station expects to reach the whole country with relay stations located in eastern and western El Salvador.

On 22 April, three Radio Venceremos engineers installed the equipment in Boqueron. The equipment was formerly located in Nahuaterique, Perquin, eastern Morazan Department.

Santiago, one of Radio Venceremos' anchormen, reported the station equipment will be dedicated on 26 April and a special program will be broadcast on that date. The 16 January peace agreements authorize the Farabundo Marti National Liberation Front to legalize its media sources starting 1 May.

Transmitters Inaugurated

PA2704013492 Panama City ACAN in Spanish 2210 GMT 26 Apr 92

[Report by Cristina Hasbun de Merino]

[Text] San Salvador, 26 Apr (ACAN-EFE)—The Salvadoran guerrillas inaugurated the Radio Venceremos and Radio Farabundo Marti transmitters in San Salvador on 26 April. The peace agreements legalized these stations, which operated clandestinely in the Salvadoran mountains during the 12 years of war.

The radio stations, which will now be identified with the call signs "YSFM" and "YSRV," will broadcast in modulated frequency and their transmitters are located at El Boqueron on the San Salvador volcano.

Ricardo Sibrian and Justo Sierra, who are responsible for Radio Farabundo Marti, asserted the inauguration of the transmitters in San Salvador "was an important step to attune our radio stations to the service of the Salvadorans."

Radio Farabundo Marti was founded in northern Chalatenango Department on 22 January 1982. It confronted many difficulties during the war, mainly avoiding Army bombs during military operations.

Radio Venceremos, the official mouthpiece of the Farabundo Marti National Liberation Front (FMLN), broadcast for the first time on 10 January 1981. The first broadcast occurred simultaneous with the first large-scale rebel offensive at a national level.

The main transmitters of Radio Venceremos were located in an underground hiding place in Morazan Department, in the eastern part of the country. The radio station had several relay stations which were assembled and unassembled with the same speed as rebel forces attacked a military patrol or fled from an Army operation.

The authorization to legalize the FMLN media is included in the general peace agreements signed in Mexico on 16 January.

According to the people responsible for the radio stations, these have the basic equipment to broadcast from San Salvador in the next few days. The stations have to undergo a test period, however, mainly of a technical nature.

The guerrilla radio stations clandestinely served the people as a source of information, although their messages were addressed to their combatants.

According to Justo Sierra, in the framework of the country's pacification process, the stations want to be "participative and allow sectors of the population to also have access to a media source to present their demands."

He added "we are not going to establish an ideological, partisan radio station only for its members. We will make efforts to communicate with the people so they will see us as an uncensored media source."

A legislative decree, which the government promised to promote in the peace agreements, will soon establish the FMLN as a legal political party, having the same name.

Guatemala

Court Rejects Devine Murder Case Appeal

PA2504032392 Guatemala City SIGLO VEINTIUNO in Spanish 23 Apr 92 p 8

[Excerpt] On 22 April, the Fourth Court of Appeals, installed as a martial court, declared inadmissible an amparo filed on behalf of seven soldiers indicted for the 8 June 1990 murder of U.S. citizen Michael Vernon Devine in Poptun, Peten.

Magistrate Napoleon Gutierrez Vargas said the soldiers' attorneys filed the appeal because he disagreed with a ruling whereby 32 military tribunal decisions were rescinded.

The soldiers indicted for the kidnapping and murder of Devine are: Rafael Tiul Cucul, Pablo Lajuj Ixmalej, Carlos Zelada Marroquin, Agustin Esquivel Hernandez, Ricardo Guzman, Andres Morante Tiol, and Benjamin Punji Perush. They are being detained at central military headquarters.

After careful examination, it was ruled that the defense attorneys' appeal was not in keeping with the law and therefore rejected. The military tribunal handling the case must now continue its efforts to solve this crime.

The magistrate added that the tribunal also decided to impose a 1,000 quetzales fine on the defense attorney and ordered him to pay the legal fees. He must pay within three days. [passage omitted]

Bomb Explodes at Public Registry Office

PA2304200192 Panama City ACAN in Spanish 1857 GMT 23 Apr 92

[Text] Guatemala City, 23 Apr (ACAN-EFE)—At least five workers of the Property and Real Estate Public Registry Office of Guatemala were injured on 23 April when a bomb exploded in that public building located in the center of this capital.

The shockwave of the bomb, which went off at 1530 GMT, destroyed windows in the building, which is located approximately 500 meters from the Police General Directorate.

The 300 workers of the Public Registry were evacuated due to fear of another explosion.

Experts from the security forces defused another bomb close to the state-owned telephone company.

A policeman reported that on 23 April there were six false bomb alarms in this capital.

Thus far, no group or persons have claimed responsibility for the explosion at the Public Registry's building or explained the motive.

* Supplementary Budget Requests Made to Congress

* Increases Outlined

92CA0132A Guatemala City SIGLO VEINTIUNO in Spanish 19 Mar 92 p 4

[Text] Yesterday the Congress of the Republic dealt with several bills intended to increase the 1992 National Budget by a total sum of 144.6 million quetzales. The funds would be used to cover the urban transportation subsidy, to raise the allotment given to the Office of the Human Rights Prosecutor, and to increase the budget of the Judicial Branch.

The first bill was proposed by Deputies Jesus Ayerdi (UCN [National Union of the Center]) and Vinicio Villar Anleu (DC [Christian Democracy]). Through it, an attempt is made to raise the 1992 Budget of Revenues and Expenditures by 100 million quetzales, an amount that would be allocated specifically to the Judicial Branch. The bill was submitted to the Judicial Affairs Committee for its study and opinion. The suggestion to send it to the Finance Office for the same treatment was also considered.

This bill is the result of the action taken by the president of the Supreme Court of Justice, Juan Jose Rodil Peralta, who claims that, if this increase does not occur, it will be virtually impossible to start the Program for Transformation of the Justice System in Guatemala.

The second bill was proposed by Deputy Obdulio Chinchilla Vega to raise the 1992 budget by 39.6 million quetzales. This amount is needed to pay for the urban transportation subsidy postponed by the Congress for six months in the capital city and for a year for the country's outlying areas.

Chinchilla Vega remarked that the increase is essential, because the 1992 budget does not stipulate any appropriations to cover the subsidy outlays. He maintains that, if this change is not made, the state would have no source of funds to cover this grant to urban transportation in the nation's capital and in some municipal capitals.

The third bill was introduced by Deputy Diego Velasco Brito, chairman of the Peasant Affairs Commission, and calls for a 5 million quetzal increase in the 1992 National Budget of Revenues and Expenditures. This increment would be allocated to the Office of the Human Rights Prosecutor. The raise was requested by Prosecutor Ramiro de Leon Carpio, who argued that the present appropriation is insufficient to meet the many different requirements of the institution, which is now expanding throughout the entire national territory.

* Hospital Increase Requested

92CA0132B Guatemala City SIGLO VEINTIUNO in Spanish 26 Mar 92 p 5

[Text] Yesterday, Dr. Miguel Angel Montepeque Contreras, minister of public health, asked the Congress of the Republic for an increase of 36.7 million quetzales in that ministry's budget to finance the operation of 18 hospitals in the country's outlying areas.

The Health Committee decided to back Montepeque Contreras's request, according to one of its members, Deputy Mario Gaitan. He explained that the Health Ministry needs a budget increase to improve the food and the supply of medicines in those 18 national hospitals. He added that it is also required in order to create 1,545 new positions for doctors, nurses, aides, and other paramedical personnel.

The increase is imperative to meet those needs because, although the ministry has the revenue generated by the emergency bonds, it cannot be used to improve the operation of the hospital system.

Minister Montepeque asked the deputies to support him in improving environmental conditions and preventing the spread and further outbreaks of diseases such as cholera and gastrointestinal infections. The minister claims that the environmental cleanup conditions could improve if an awareness is created among the country's mayors, prompting them to earmark a portion of the 8 percent constitutional contribution for that purpose.

The official also announced that some of the equipment purchased from the Calmaquip company with $11.7 million in financing from the Republic National Bank has already arrived in the country. The equipment will be distributed among 18 hospitals and, therefore, the Health Office requested a written report, so as to determine the conditions and circumstances relating to that equipment.

At the meeting yesterday Deputy Juan Navarijo complained to Minister Montepeque that no attention has yet been paid to the health problems being experienced by Solola, where another cholera outbreak has been reported.

* INA Statistics on Poverty, Health, Literacy

92CA0133B Guatemala City SIGLO VEINTIUNO in Spanish 24 Mar 92 p 13

[Text] Guatemala is among the Latin American countries with the lowest levels of social welfare and satisfaction of basic individual needs. The purchasing power of the currency has eroded, and this is reflected in the quality of life of the people.

In 1980, 63 percent of all families were living in poverty, while by 1989, according to the National Statistics Institute (INA), the figure had risen to 77 percent. In other words, 77 out of every 100 Guatemalan citizens are poor.

As to extreme destitution, the figure rose from 32 to 55 percent in the same period, with the highest indices being reported in such rural regions as Quiche, Huehuetenango, Alta and Baja Verapaz, San Marcos, Solola, Totonicapan, and Jalapa.

According to the Segeplan [General Secretariat for Economic Planning], poverty characterized 94.4 percent of the unemployed population in 1987, as well as 66.8 percent of the people who said they were employed. However, of those in this latter group living in the farm sector, 82.7 percent said their situation is extreme destitution.

In the health sector, the infant mortality rate in 1989 was 57 per 1,000 infants born alive. The majority of the deaths resulted from diseases involving diarrhea (30 percent), acute respiratory infections (23 percent), perinatal complications (20 percent), and malnutrition.

In 1990, 4 percent of the children under five years of age were suffering from severe malnutrition, with the figure on the rise. Thirty-three percent of the children were characterized by insufficient weight and 57 percent by insufficient height, while in the school population between the ages of six and nine, 37 percent of the children were suffering from malnutrition.

According to the Segeplan, Guatemala has one of the highest levels of illiteracy in Latin America. In 1989, 49 percent of all inhabitants were illiterate. The levels were highest in the rural sector, with a figure of 74 percent, the majority of whom are Indian.

It is estimated that the illiterate population 15 years of age and older comes to a total of 2,686,903 persons, of whom 60 percent are women (and among the Indians, this figure is 72 percent, while among those of mixed blood, it is 25 percent). Only 27 percent of the children five and six years of age, of whom there are 550,416, are enrolled in kindergartens or preschools.

The information provided above means that more than 400,000 children have been denied the opportunity for schooling. In education for girls, the figures are alarming, because in the urban sector 74 percent of the girls have attended school, while in the rural sector, only 49 percent have been enrolled. And these are only some of the details.

What should be done? This is a subject we will take up shortly.

* Human Rights Violations in 1991 Described

92CA0133A Guatemala City PRENSA LIBRE in Spanish 8 Mar 92 p 2

[Text] A statement received in our editorial offices reports that there were 228 "extralegal" deaths in 1991.

Of this total, 130 deaths are attributed to the state, 71 to rebel groups, and 21 are assigned to the category of special cases. In addition, a total of 122 reports of extralegal deaths were excluded because they did not fit this description.

The human rights prosecutor said in the report submitted to the Congress of the Republic that an analysis of the statistical data is not the only thing needed. There must also be a comparison of the reality, the disregard of basic rights, with the formal legal progress Guatemala has made within the institutional framework.

The report also added that the lack of guarantees the state is obligated to provide citizens has led to persecutions and threats against political and trade union leaders and others and to the emigration of the affected individuals to other countries.

Notwithstanding the effort to oversee the public administration, the human rights prosecutor has fulfilled his constitutional function. The economic, social, and legal-political structures are preventing the existence of an effective state of law capable of promoting the economic, social, and political development of the nation and of

achieving the supreme goal of the state, which is the common good, this official emphasized.

*** Grinding Nationwide Poverty of Women Reviewed**

92CA0133C Guatemala City SIGLO VEINTIUNO in Spanish 27 Mar 92 p 14

[Article by economist, public accountant, and auditor Rene Arturo Orellana Gonzalez]

[Excerpt]There are 8.7 million people in Guatemala, with 104 women for every 100 men. Of the 4.4 million women of all ages, 79.6 percent live in poverty; their income is not enough to meet their basic material needs. Of this number, 59.2 percent are "indigent"; they lack the economic resources needed to provide the minimum dietary requirements for human beings. In addition, 20.4 percent make up the group of "nonindigent" poor; their resources are not sufficient to cover the cost of the expanded basic food basket, which includes clothing, housing, transportation, and health, education, and other expenditures in addition to food. Thus the balance, 20.4 percent, make up the group of women who are not poor. There are 1 million of them, as compared to 3.5 million in the poor category. In other words, for every 100 women who are not poor, there are 390 who live in poverty.

The poverty indices for females are a little lower than those for the male population. They run to about 80.2 percent, with 59.5 percent in the indigent category and 20.7 percent in the nonindigent category, while the group which is not poor represents 19.8 percent. Poor women are distributed throughout all of the regions. The highest indices are in the North (Baja and Alta Verapaz) and the Northwest (Huehuetenango and Quiche), where the poverty level for women is 90 percent, while the highest level of poverty for males, 91 percent, is also found there. The lowest level of female poverty is found in the metropolitan region (Department of Guatemala), with 63.3 percent, which is nonetheless an alarming figure. The most acute situation with regard to indigents is again in the Northwest (80 4 percent) and the North (78.3 percent), in contrast to the metropolitan region (29.3 percent). There is an aggravating circumstance in Guatemala in that 339,000 women, representing 7.7 percent of the total, are suffering from illnesses or injuries. Of this total, 263,000 (77.5 percent) are poor. Of this number, 53.7 percent are living in extreme destitution. Since they lack the income necessary to deal with this situation, they are forced to use the state welfare network. As everyone knows, this network is semiparalyzed, since the 35 national hospitals are operating at only 50 percent of their capacity.

Of all the females in the country, 3 million are 10 years of age or older and are regarded as capable of working. Of this number, 75.5 percent are in the EIP [economically inactive population] category, while the remaining 24.5 percent make up the labor force (EAP) [economically active population]. Of those in the group of inactive women, 82.2 percent are poor, and 62.3 percent are indigent, while the majority of the active women fall within the indigent category (34.4 percent) or the category of those who are not poor (38.9 percent).

Of the 740,000 working women, more than two-thirds are living on the edge of poverty. Of this number, 255,000 are indigent, while the other third are among the nonindigent poor. The majority of the poor women are doing farm or craft work in the rural sector or are working in the informal urban sector in trade, industry, or service, as domestic help. The crisis in the 1980's forced many women, even those in the middle class, to find work or to create some economic activity for themselves in order to support the family, becoming a part of the informal sector because of the ease of doing so. Despite this, the overall rate of female participation in the labor force is low (24.4 percent). The rate is higher in the nonpoor population sector (41.4 percent) than in the poor sector (19.4 percent), while the rate for males is 77 percent. At the beginning of the 1950s, the level of female participation was 12.6 percent, but it doubled in that decade, whereas the rate for men was 85.2 percent. This means that women have gradually been displacing men in many activities, although appreciable differences still exist.

The female EAP, although scattered throughout the national territory, shows a tendency toward concentration in the metropolitan region (36 percent) and the Southwest (24 percent). In the rest of the country, with the exception of Peten and the metropolitan region, where most of the individuals making up the female EAP are not poor (55.6 percent as compared to 52.3 percent), the reverse is the case. The poverty indices range from 59.1 percent in the Northeast to 84.6 percent in the North. On the other hand, the portion of the male EAP which is poor predominates in all zones, without exception.

Poor women have a higher rate of unemployment (3.7 percent) than men (1.7 percent), since males, given their gender and their family responsibilities, cannot remain unemployed for very long because of the lack of unemployment insurance. In many cases, they must generate their own employment, working for themselves or accepting marginal jobs in the informal sector. A similar situation occurs in the group of those who are not poor, where the unemployment rates are 2.4 percent for women and 1.4 percent for men.

The tragic situation in Guatemala leads us to focus attention on the fact that women, together with children, must be the two social sectors that merit the highest priority in developmental and population planning. The majority live in the slum districts of the capital and other departmental seats and in the rural zones, where unemployment, underemployment, and poverty predominate. Almost all of the poor women have very little schooling or none at all, and they therefore join the labor market very poorly equipped to contribute to the economic support of their impoverished families.[passage omitted]

Nicaragua

Chamorro on 2d Anniversary of Administration

PA2604124692 Managua Radio Nicaragua Network in Spanish 1656 GMT 25 Apr 92

[Speech by President Violeta Barrios de Chamorro on the occasion of the second anniversary of her administration in Bluefields, South Atlantic Coast—live]

[Text] Mr. Governor of the South Atlantic Coast; members of the Regional Council; representatives of the political parties; religious, civilian, and military authorities who are present here; Nicaraguan people; and Atlantic Coast brothers: With my faith placed in God, and under the same sun that nourishes all the people of Nicaragua, I took office two years ago at Managua's National Stadium, as a result of the wishes and will of the majority of the people.

Through a free and secret ballot, you trusted me to make Nicaragua establish forever peace, democracy, progress, and freedom as symbols of life and sovereignty. Two years ago, Nicaraguans were experiencing the harsh reality and difficult situation that existed in our fatherland. Nicaragua [five-second break in reception] in the first year of government, we abolished the compulsory obligatory service and ended the civil war that was bringing bloodshed to Nicaraguan homes. We succeeded in voluntarily disarming 22,000 men of the Nicaraguan Resistance. From 25 April 1990 to now, we have reduced the Armed Forces from 80,000 to 19,600 men.

Now, Nicaraguans who were once fighting each other are incorporated into the productive progress of civilian life for the benefit of all. We also enjoy the freedom that allows political parties, unions, and all sorts of associations to become organized. Our educational system is oriented toward protecting the values of democracy, liberty, peace, and the brotherhood of all. For the first time in over half a century, Nicaraguans enjoy an unrestricted freedom of expression.

From an economic standpoint, the plan implemented by my government has the following fundamental objectives: to consolidate the elimination of hyperinflation; to reduce dependence on foreign aid in the medium-term; to recover the ground lost in the last decade and put the country on the path toward growth through an overall transformation to an export-oriented economy based on the free market; and to ensure growth translates into improved living conditions for the majority of Nicaraguans.

In addition to the second anniversary of my administration, we are marking the 60th week, which began on 3 March 1991, when I announced my firm decision to stabilize our economy and eradicate forever the vice of weekly devaluations.

In addition to the efforts to stabilize the economy, the government implemented an exhaustive structural adjustment program in the public and financial sectors to boost our economy into the competitive market system.

Our programs have allowed us to make important advances such as the elimination of the main barriers hindering the private sector from participating in the development of the economy; the elimination of the public sector's monopolies in imports and exports, and the reduction of import taxes on goods and equipment.

In the financial sector we approved laws allowing private banks to organize and we took the first measures to restructure state banks. We are also implementing the privatization or sale of approximately one-third of the 350 state enterprises.

In October 1991, we paid international financial institutions $360 million in overdue payments accumulated by the previous government and this allowed us to reenter the international financial system. Donations made by friendly countries allowed us to pay this overdue amount. We made arrangements to pay the $1 billion debt, which we also inherited from previous governments, with the Paris Club

In 1992, we will strive to consolidate the attainments reached in 1991 with our economic stabilization and structural adjustment programs. Based on improved agriculture production and a substantial increase in public investments, we expect to have a real economic growth of approximately 4 percent in 1992.

During 1992, we will promote the expected economic growth by implementing an ambitious public investment program; four times larger than our 1991 investments. The program will include construction and repair of roads, bridges, ports, and rural roads. Our public investment program will generate much needed jobs in the country and it will increase our production and exports.

We will also promote economic growth by increasing our net credits to production. Thus, the amount of credit available will be significantly greater than the amount available in 1991.

In general, the 1992 reform programs are on the right track. We still have many obstacles to overcome to attain growth and we are also concerned with the new risks that lie ahead: the fall of the international prices of cotton and coffee and the negative effects of the Cerro Negro volcano eruptions are two of these concerns.

One of the main obstacles to growth is the problem related to the protection of land tenure and the use of land, which continues to be insufficient to imbue full trust in small, middle-size, and big producers.

Therefore, we are going to resolve this problem, as was promised in the government program agreed upon in the national dialogue. I share the criteria of the World Bank, the FAO [Food and Agriculture Organization], the Inter-American Development Bank, and other international organizations concerning our development. This criteria

upholds that given Nicaragua's natural and cultural conditions, its full development is based on sustained growth of the farming sector.

To reach these goals, we must quickly and definitely provide security and stability with regard to the right to property and land tenancy. This includes security for the historical owners—who never lost control of their properties; the assignees or the legitimate beneficiaries of Agrarian Reform—individually or collectively—be it by provisions of the past or the current government; demobilized contras and discharged soldiers of the Armed Forces; and the previous workers and owners who benefited from the [words indistinct] and AGROEX [expansion unknown] privatization plan. It is absolutely necessary to consolidate trust in the land's legality and ownership. This is a pillar of the government program and currently represents one of the most important measures to assure Nicaragua's economic growth and to stimulate investment.

This climate of insecurity can no longer continue to prevail. To achieve this, measures and actions to reestablish public order will be enforced. Actions and sanctions will be taken against illegal squatters and land titles will be granted to legitimate assignees who do not have these documents.

The economic and social concerted effort—a locally and internationally acknowledged forum fostered by my government and supported by the most important social, labor, business, and political sectors in the nation—gave birth to the Office for Territorial Organization [OOT]. This office is revising the status of homes and land acquired under Laws 85 and 86 to end the abuses that have been committed and to proceed with the recovery of assets acquired by individuals outside the law. The OOT has issued the first rulings on the revisions. This action must also include rulings on all cases that were submitted based on Decree 11-90 to establish the feasibility of the return of properties to the original owners or their compensation, as the case may be.

To continue our economy's modernization, next week I will send to the Legislative Assembly a package of laws that include the reform of banking laws and laws on interest rates that will allow us to make headway in reactivating production and developing private enterprise. Finally, 1992-1993 will be a transition period from stabilization to sustained economic growth for the Nicaraguan economy. We are conscious that our road is difficult. We are passing from totalitarianism to democracy, from destruction to reconstruction, from a polarized society to definite understanding, from overwhelming state-paternalism to free enterprise, and from war to peace.

It is a difficult transition, and I can continue to rely on the sincere backing of all Nicaraguans and the international community. In this respect, as I begin my third year in office, I will continue to strive with resolve to achieve our objectives for the sake of the great majority of the people of Nicaragua.

Dear Atlantic Coast brothers: I wanted to come today to this beautiful land and celebrate my second year of government together with you Atlantic Coast residents—the Mestizos, Miskitos, Creoles, Sumus, and Ramas. I confess I am happy to be among you. I was remembering a visit to this city of Bluefields during my electoral campaign. My good friend Governor Alvin Guthrie asked me then: When will you return to Bluefields? I replied: I will return as president, and... [applause] I will choose a date memorable for all the people of the Atlantic Coast and for Nicaragua.

That is why I have decided to celebrate the second anniversary of my administration on the Atlantic Coast, in this city of Bluefields. Dear brothers of the Atlantic Coast: We must work hand in hand, as brothers of the Pacific and central areas of the country to strengthen our fatherland's integration and reconstruction. My government is aware of your problems, such as unemployment, drug trafficking and abuse, and pirate ships that steal our abundant natural resources. We are taking specific actions and developing a program that will benefit a majority of the people of the Atlantic Coast.

Toward that effect, I have instructed the members of my cabinet to redouble their efforts in implementing these plans. Together with geographic integration, we will promote and protect your ecology in the economic and social development of the Atlantic Coast, because we envision the overall development of this land while at the same time we will respect and protect its ecological resources. As president, I would like to conclude by wholeheartedly stating that I respect your customs and traditions within a spirit of national unity and territorial integration that will guarantee us a united and free Nicaragua. It is thus that the brothers of the Pacific and Atlantic areas can together hoist the blue and white flag, symbol of our nationhood. I thank you, my dear friends. May God bless each of you. Thank you. [applause]

Vice President Threatens To Resign From UNO

PA2504135592 Managua Radio Ya in Spanish 1100 GMT 24 Apr 92

[Text] Nicaraguan Vice President Virgilio Godoy, who has no government function, has not ruled out the possibility of leaving UNO [National Opposition Union] because, according to him, the coalition is suffering an identity crisis.

Godoy said that he will continue to fight as vice president and he criticized UNO for suffering a paralysis that is preventing it from carrying out the political activities people expect. In a threatening voice, Godoy said that as more political parties seek to accommodate themselves with the government, he feels freer to act as vice president.

Godoy's statements were made known on 23 April, when the government of President Violeta Chamorro reached its second year in power.

Godoy said that he feels betrayed by UNO because some of the political parties in the coalition have joined the ranks of the technocracy, and according to him, once they have joined the executive branch, he is relieved of the commitments he acquired with those parties.

As for the UNO crisis, the vice president without government functions said that some political parties in the coalition are going through a stage of paralysis, something that allows him to decide what he should do in the future and no one will be able to demand anything from him.

According to sources from the Liberal Party led by Godoy, he submitted his resignation to the UNO Political Council, but it asked... [pause] to accept his resignation. [sentence as heard]

Agreements Reached With Recontras, Recompas

PA2504004292 Managua Radio Ya in Spanish 1100 GMT 23 Apr 92

[Statement by Frank Cesar, official Government Ministry spokesman, in Managua on 23 April—live]

[Text] We would like to report that a meeting between the Government Ministry and members of the National Commission of Recompas and Recontras began at 2100 on 22 April. During the meeting, presided over by Government Minister Alfredo Mendieta, the government reached some agreements with the recompas and recontras.

Among other things, the recompas and recontras recognized the government's willingness to fully comply with the agreements. Also recognized was that it is necessary to prioritize to comply with the agreements. At 1400 on 23 April, a National Commission delegation will meet with a commission created by Minister Mendieta, to guarantee compliance with the agreements and determine priorities.

Some press sources reported on 23 April that Jinotega and Ocotal had been occupied. Those reports are totally false. We believe the media has exaggerated the conflict in the northern region. The truth is that on the outskirts of Jinotega a group of the so-called mixed bunch [recontras and recompas] presented the same demands made on 22 April. We understand that Jinotega residents have rejected this movement, because in order to get water, they must go to [words indistinct] on the road to Matagalpa, and this inconvenience has caused great discontent.

[Station announcer] Frank, apparently the situation is due to lack of communication and some government officials' unwillingness to comply with the agreements. What will be done to improve the situation?

[Cesar] There is no unwillingness. There is willingess on both sides, the government's and the National Commission of Recontras and Recompas'. However, as you said, there has been a lack of communication in some respects. According to previous agreements, and in keeping with its land and bank commitments, the government agreed that representatives of the recontras and recompas would propose the areas where the banks are most needed. It is obviously necessary to improve communication, hence the importance of the delegation that will arrive in Managua on 23 April. It will remain as long as necessary to expedite compliance with the agreements.

I must also mention that the president of the Republic has delegated to the Government Ministry the responsibility of ensuring full compliance with the recontras and recompas agreements.

Foreign Ministry Clarifies Fishing Boat Incident

PA2304231992 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 23 Apr 92

[Text] The Nicaraguan Foreign Ministry has sent a note to the Salvadoran Embassy concerning the capture of the Salvadoran fishing vessel "Estrella del Mar," that was illegally fishing in Nicaraguan territorial waters.

The captain of the fishing vessel, Salvadoran national Manuel de Jesus Flores, was killed when he tried to stab a member of the Nicaraguan Navy Patrol who was trying to shut off the engine. The Nicaraguan officer was forced to use his regulation weapon, instantly killing the Salvadoran citizen.

Because of press reports claiming Mr. Flores was the target of human rights violations, the Nicaraguan Government informed the Salvadoran Government of the official version of events and of the results of Region 2 Military Legal Office's investigation to interpret the events and establish responsibility.

Recompas, Recontras Reportedly Occupy Esteli

PA2604210592 Panama City ACAN in Spanish 1725 GMT 25 Apr 92

[Text] Managua, 25 Apr (ACAN-EFE)—Esteli, one of northern Nicaragua's leading cities is in the hands of "revueltos," [mixed group] "recompas," and "recontras," who are urging the government to fulfill the agreements it signed. In addition, the police remain within quarters to avoid renewed violent clashes.

According to Managua radio stations, the "revueltos" in Sebaco, a city located 100 km north of this capital, have blocked the highway to the northern part of the country.

Most of the rebels are from nearby Sandinist-controlled cooperatives.

"Sandinist" Commander Rene Vivas, chief of the National Police, traveled to Esteli on 24 April to control

the situation. He denied policemen had "executed recontra" Jose Antonio Gutierrez Rayo, as the "revueltos" reported.

Also in Esteli is former Nicaraguan President Daniel Ortega, top leader of the Sandinist National Liberation Front, who has met with municipal leaders, as well as with "recontra" and "recompa" leaders.

Residents of Esteli, which has a population of 139,000, told ACAN-EFE that groups of "revueltos" are searching private homes for weapons, and the Sandinist-directed police have done nothing about this.

The "revueltos" also used gunfire to destroy the doors of a weapons warehouse owned by the Esteli Disarmament Commission, from which they withdrew an undisclosed amount of weapons. This has not been confirmed by government sources.

These incidents took place on the second anniversary of President Violeta Chamorro's government, which has been plagued by instability fostered by the former "contras" and by former Sandinist soldiers and peasants.

While this was happening in Esteli, Chamorro was on the Atlantic Coast, the poorest region in the country, where she is expected to give a message to the nation on the occasion of her second year in office.

On 24 April, Esteli was the site of clashes between the police and the "revueltos," which left one "recontra" dead and three people injured, including a policeman. Another policeman was disarmed and beaten by the "revueltos," according to reports.

Dozens of these paramilitary troops are heavily armed and entrenched in barricades erected in different areas of Esteli, located 156 km north of Managua, while others—according to the "revueltos"—are "patrolling" the city.

"Recontras" and "recompas" are demanding that Violeta Chamorro's government, which turned two years old on 25 April, provide them with land, property titles, credits, and housing, so they can reincorporate themselves into civilian life and work in the field of agriculture.

Meanwhile, hundreds of "revueltos" who have surrounded Esteli from nearby hills, warn that if the police and Army intervene, they will blow up nearby bridges to disrupt vehicle traffic.

Recompas, Recontras Continue To Block Roads

PA2404185192 Managua Sistema Nacional de Television Network in Spanish 0300 GMT 23 Apr 92

[Text] Recompas and recontras continue to block 10 towns and two border points in the north of El Salvador. Ocotal and Esteli were cleared by the afternoon of 22 April, and police brigades were sent in to clear the rebels in Esteli, but the road was once again blocked during the night. Five hundred peasants continue to occupy the offices of Telcor [Nicaraguan Telecommunications and Postal Services Institute] in Quilali. They are also occupying four properties that belong to private producers. The offices of Telcor in Palacaguina continue to be occupied. The same is true for the mayor's office, as well as other facilities. Education Ministry offices and some institutes have been occupied by recontras and recompas in Condega. Approximately 90 trucks coming from Honduras and Nicaragua have been detained at customs in Espino. The border point at Las Manos is also blocked. Jinotega is one of the cities where the situation is most critical, since it is impossible to enter or leave the city.

The demands made by all the rebels are the same: They want the government to uphold the agreements of 26 January, agreements in which the government promised to give them land and homes, as well as to finance agricultural production.

A delegation of the rebel's staff traveled on 22 April to Managua to meet with the government, or with the presidency minister, to be precise. If they get answers to their problems they will return home to reveal these answers, and if they do not find answers, they say they will continue with the blockade on 23 April.

* Impact of FSLN Crisis Described

* Positive Side Viewed

92CA0128A Managua LA PRENSA in Spanish 14 Mar 92 p 10

[Commentary by Luis Sanchez Sancho]

[Text] In the public and private infighting the leaders and militants of the Sandinist National Liberation Front [FSLN] are waging among themselves, not all that glitters is gold.

Only part of the quarrel among the Sandinists stems from ideological reasons. This part pits those who would keep the FSLN's traditional revolutionary political identity intact against those who would transform the party and adapt it to the changes that have taken place in Nicaragua and the world with the collapse of communism and the frustration of the world revolutionary movement.

The other part of the quarrel among the Sandinist party's various notables and groups is very materialistic. In this case, the ideological debate is a sheer covering over a fierce struggle for control of the party's powerful organizational and propagandistic apparatus and, above all, control of the abundant assets the FSLN expropriated while it was in power throughout the past decade.

Of course, there are many grounds for ideological debate, political discussion, and economic controversy in and among the FSLN's leadership circles, intermediate structures, and the grass roots of the Sandinist party. In reality, what is surprising is that the Sandinists have not yet split, despite their many reasons for doing so.

It is abundantly clear that an FSLN split is not only imminent but also inevitable. After all, how can groups so different from and exclusionary toward each other—groups as different from each other as the new social democrats and the stubborn Marxist-Leninists—be expected to go on cohabiting with each other without end? To what extent can those who took utmost advantage of the revolution to enrich themselves and those who "got nothing out of it" while the party was in power, or who devoted all their energies to the revolution out of conviction and a sense of idealism and ended up virtually penniless when the party was ousted, accommodate to each other within the same party?

The Sandinist party's first congress merely postponed the solution of an internal conflict that has now become more intense and rankling and that must be resolved this year and the next, and, in any case, before the Nicaraguan public returns to the polls.

The FSLN has always been a bundle of contradictions. These deepened when the party took over the government in 1979 and continued to deepen throughout the 10 years it exercised that function as an authoritarian regime. The skill with which the Sandinist party managed its internal differences during that period was admirable. But its success in preventing the split was owed mainly to the supreme interest in preserving their political power that prevailed among the Sandinists and overshadowed all internal disputes and to the pervading illusion among the Sandinists that they were achieving a revolutionary transformation of the Nicaraguan society.

Now that the FSLN has lost its governing powers, the socialist camp has disappeared, and the world revolution has gone bankrupt—and now that the FSLN finds itself besieged by its irreconcilable internal political and financial quarrels—there are no longer any objective or subjective reasons for Nicaragua's erstwhile super party to preserve its monolithic unity.

On the other hand, the quarrel among the Sandinists is beneficial to the consolidation of the democratic system we are trying to build in Nicaragua.

It is beneficial because to the extent that the FSLN wears itself down with infighting, its capacity for generating violence, provoking instability, and threatening the new political system of civic conviviality is diminished, as is the ability of the extremist sectors to continue sabotaging the country's economic recovery.

But perhaps the most important result of the infighting and of the FSLN split will be the contribution these will make to the strengthening of political pluralism. In fact, some see as a viable prospect the possibility that from the historic Leninist-type Sandinist party there will emerge a renewed, healthy, democratic political force capable of competing loyally and fairly with the other parties for the temporary exercise of the governing power. At the same time, the radical, reactionary, and violence-oriented Sandinist groups will be reduced to the status of a marginal, perhaps vociferous, but inoffensive phenomenon that will be of minor significance to the democratic system.

This prospective turn in the course of the Sandinist conflict is already discernible. When the new phase of the internal quarrel began—stemming from the appearance of the centrist group, the awarding of the EPS [Sandinist People's Army] medal to a high American official, the announcement of Mr. Luis Carrion's decision to study in the United States, and the advent of the crisis in the Sandinist media—Mr. Daniel Ortega unleashed a violent verbal assault against his dissident comrades. But this time, no one feared him, and more than one of his coreligionists responded energetically, in kind, to the rudeness of the continuing party leader.

Recognition is evidently also being made within the FSLN of the fact that Mr. Daniel Ortega is an encumbrance and an unsettling factor not only for the country and for the democratization process in general, but, above all, for the FSLN itself. And this is because, in the face of these present-day circumstances that make a renewal of the party leadership and a brightening of the party image urgent and absolute necessities, Mr. Ortega continues to seek a leadership role while perpetuating the bad habits of the past.

The FSLN's interest might best be served by relieving Mr. Daniel Ortega of his present responsibilities and sending him to Baghdad, Tripoli, or Havana as a party ambassador.

* Violence, Unrest Criticized

92CA0128B Managua LA PRENSA in Spanish 16 Mar 92 p 10

[Editorial: "Sandinism and Crisis"]

[Text] The collapse of the socialist world and the party's February 1990 unseating as the governing power, together, cast the FSLN [Sandinist National Liberation Front] completely adrift, without an ideology, without a platform, and without a notion as to what to do next. To date, its existence has been sustained solely by the survival instinct.

This has subjected all Nicaraguans to a veritable martyrdom, because rather than seek a new identity, the form chosen by the FSLN to make it feel like it is still alive has been the provocation of violence and chaos throughout the country.

The FSLN's sole response to its internal organizational conflicts, as borne out by its behavior over the past two years, has been to provoke an atmosphere of chaos throughout the country, in order to divert the attention of its political clientele.

First came the protest demonstrations of May and June 1990, which caused a great deal of surprise, following the peaceful transfer of powers. They were provoked with

the aim of throwing up a smokescreen over the embarrassing affair of "la pinata" [Sandinist government's appropriation of land and property], but mainly in an effort to overcome the defeatist turn of mind afflicting the members of the organization.

Next came the violent rallies in Managua, with the burning of vehicles and municipal buildings, as a response, an overreaction to be sure, to the damages perpetrated on Carlos Fonseca's tomb, but all with intent to dispel the frustrations and misgivings arising around the proceedings of the party's congress.

During the latter months of 1991 and January and February 1992, the country experienced a period of calm, broken only by the veritable public explosion of conflicts within the FSLN. These began with the awarding of the medal. This was followed by the emergence of the centrist group, then Luis Carrion's study trip abroad, and then the demands placed on the Sandinist media.

This time, former President Daniel Ortega demonstrated his political capabilities for again taking over the party reins: Wage strikes in the Central Bank, Ministry of Construction, Aeronica [Nicaraguan Airlines], Ingenios [not further identified], etc; demands on behalf of the coffee growers and cotton growers; initiatives aimed at joining Socialist International; organizing of peasant demonstrations; as well as strong calls to order within the party, and assumption of the lead of the "imminent social explosion." The results speak for themselves: No one remembers the famous medal, the centrist group is nowhere to be seen, Luis Carrion has postponed his studies, and the Sandinist media, especially BARRICADA, have completely reversed their editorial policy, shifting from constructive criticism to confrontation.

Everything has gone well for Commander Ortega, but his successes have been achieved at the cost of the peace of mind of all Nicaraguans.

If the Sandinist Front does not address its internal problems with the seriousness they demand and once and for all, if instead it continues to postpone them, this will only contribute to the accumulation of more tensions within the organization's leadership. The crises the party leadership will then have to provoke will have to increase accordingly in number and intensity, leading to further internal deterioration of the organization and further hampering of the work of national reconstruction.

* FNT-FSLN Relations Discussed

* FNT Autonomy Viewed

92CA0136A Managua BARRICADA in Spanish 28 Mar 92 p 3

[Article by Darwin Juarez]

[Text] The recent exchange of harsh words between the leaders of the Sandinist National Liberation Front (FSLN) and those of the National Workers Front (FNT) would appear to indicate that the classic notion of interlocking gears connecting the party and the unions is no longer valid.

I think that there is indeed a crisis, but it is not exclusive to Sandinism. In society, as with the individual, a crisis can be a symptom of growth or decrepitude; the crisis may reflect the end of one stage and a transition to new forms, or it can mean that an entire process has reached the end of the road.

Sandinism today is going through a metamorphosis in which its various expressions are looking for ways to strengthen their identity. In this search, labor leaders—like the leaders of peasants, women, and youths—enjoy autonomy, yet they are advocating, in an unaccustomed manner, the notion of "noninterference" by the FSLN.

And more than the disagreements over objectives and interests, what is most arresting is the unaccustomed tone employed by the leaders of the FNT when referring to the FSLN leadership, and vice-versa. For years, the leaders of the FNT accepted the party line down to the last comma, while the FSLN felt satisfied that its message was being transmitted faithfully to the union rank and file.

Own Identity

Now that the relationship between the state and the party has been severed and the unions are no longer serving the parastate and paraparty function that they fulfilled for the state and party for many years, the search is on for an identity of their own. The state became a strange and hostile entity; and the party, as an institution, ejected from the government, can no longer meet the workers' most urgent demands.

The new circumstances mean that the unions—now distanced from power—are closer to the daily and concrete problems of the workers, and the party (at least its organic expression) is more immersed in the matters inherent in its own sphere and political strategy. It can be said that the party is involved in the search not to solve the daily problem of putting bread on the table, but to guarantee a little more than that there will be food tomorrow, and not just for the unions.

The autonomy of the labor movement is a fact of life, and no one has called it into question. The unions decide what battles they will enter, how they will be led, what methods will be used, and how far they will go. No one imposes any initiative on them or seizes it from them.

It would appear, however, that at the most critical moments, an attempt is made to replace the link between the party and the unions with an appearance of leftism, when what is really needed is a renewal in which the

autonomy of the labor movement is really strengthened, but so is the party's political influence on the workers through its members.

On the other hand, by virtue of its political nature, the leadership of the FSLN surpasses the trade unions. The FSLN leadership is national; it comprises all of the popular sectors: slum dwellers, peasants, youths, women, workers, professionals, technicians, intellectuals, students, etc. And that is also a fact of life. No one can deny the existence or the impact of the Sandinist Front as a force in opposition to the government, in favor of the various struggles being waged by the various sectors of society.

Different Scenes

To propose that the labor movement put some distance between itself and the FSLN for the sake of autonomy may be a political error. Not even the most right-wing unions will forsake their political ties, as that would undermine their ability to do battle and to carry out their functions.

Today, when everything is taking a turn for the worse as the economic and social crisis batters the workers and the country as a whole, there is not a single popular sector that is exempt from this reality, and that must always be foremost in our minds.

The development of an alternative and a battle strategy requires a participative process, not only by the executive bodies or the rank and file separately, but the peculiarities of all the social movements and forces of Sandinism must be recognized so that everyone will feel that they are being represented.

As people used to say not too long ago, is it not true that the unions and the other social movements and organizations have been a breeding ground for the party's ranks? Where did the labor leaders come from, if not from the ranks of the party? That has been the historical dynamic of the interlocking gears.

At a time of crisis, the rank and file to whom so many appeals are issued are waiting for new battle instructions, in which urgent day-to-day needs will be combined with the political acuity necessary to keep us from mortgaging our future. Achieving that goal requires a change, not necessarily in personnel, but in methods and attitudes. The way to do that is to strengthen communication and participation.

* Labor Action Defended

92CA0136B Managua BARRICADA in Spanish 28 Mar 92 p 3

[Article by Adrian Meza Soza]

[Text] In the last few weeks, amid a gradual escalation of social unrest, some political developments and events have occurred that give pause to reflect.

The government is undoubtedly still trying to maneuver cunningly between a belligerent and tenacious labor movement and a revolutionary political party facing one of its most complex historic moments.

The government has no qualms about striking at the social movement and forcing it into a cycle of attrition that at times appears to be yielding some initial results. It is employing a wide range of options for that purpose, including everything from repression and incarceration, reviving the most sinister and obsolete legal concepts of the Somoza regime ("terrorism," "conspiracy," etc.), in an attempt to deprive them of political legitimacy, branding as "traitors to the country" all those who oppose the brutal social costs of an economic program designed to make the rich richer and the poor poorer.

Unusual Tone

The official discourse and rhetoric are aimed at foisting on society a "national" project in which the interests of the great majorities have completely disappeared. They demand that people believe in them, but they do nothing to win that confidence. And when reality overshadows the magic of the cameras and the ministers' beautiful eloquence, they resort to the final expedient of turning to an army that seems to believe that the "climate of investment" can be created in this country by force of gun butts, bullets, and tear gas, and persuade it to take military action.

In view of this turmoil, our Sandinist Front is vacillating between clear and unmistakable support for the workers' struggles and a logic of political action that avoids the projection of destabilizing force in a society that, in defiance of some, is fairly sick of social confrontation but is not resigned to accepting without struggle a neoliberal economic model imposed from above, which is trying to reduce it to the most savage form of capitalism and "free enterprise."

In that context, the contradictions spring forth immediately, especially in light of the new developments in Sandinism, where a practice of discussion and open debate of positions, in a departure from the FSLN's [Sandinist National Liberation Front's] traditional tone, is taking many members by surprise and pleasing the front's visceral enemies, who think this phenomenon represents the final division of the revolutionaries and the liquidation of the political program of the Nicaraguan proletariat.

The labor movement, forced by the same historical conditions, is rising up and waving the banners of its own identity and sphere of influence in an instinctive realization that despite the "prudent advice" that is proffered, at historic moments like this, social and labor movements tend to put their own existence on the line. No one can ask them to accept the point of view of a party that, though essentially revolutionary, has political limitations of its own that cannot be underestimated or transmitted.

Frank, Dispassionate Debate

By the same token, the labor movement cannot expect the FSLN to fully accept its ideas and strategies. To decide that a cause is just does not necessarily mean accepting its methods of action, but the appropriate moment must always be chosen to point that out.

Amid a social battle when the enemy has us surrounded, no one can lose sight of the fact that criticism of the weapons used in the struggle may undermine the morale of those who are wielding them at the moment, and it is clear that all Sandinists ultimately want the workers to emerge victorious from the small, medium, or large conflicts that arise day after day.

Sandinism has its own contradictions to deal with, but it is forced to resolve them on the march, without losing sight of the fact that the discussion of methods, among ourselves, should not lead to paralysis in the face of an able adversary whose underlying purpose is to liquidate us as a political option for the people.

On the other hand, the debate should be frank, without allowing personal passions, qualifying adjectives, or diatribes to replace comprehensive arguments.

Our enemies cannot be and never have been as mature or as bold as we are. In the end, history once again will prove us right, because the social conditions for the Revolution's survival are objective and will take care of correcting and putting our own interpretations in their place.

* Vivas on Police Budget, Partisanship Charges

92CA0134A Managua EL SEMANARIO in Spanish 26 Mar-2 Apr 92 pp 8-10

[Interview with National Police Chief Rene Vivas by Angela Saballos; place, date not given; first four paragraphs are EL SEMANARIO introduction]

[Excerpts] Commander Rene Vivas Lugo, from an old family on Calle Atravesada in Granada, "a fair-haired little bourgeois," as he was reportedly called when he joined the Sandinist Front, went to Central American, as befit a young man of his class, but he spent most of his time in the revolutionary underground. As a result, he had little time left over for a university career. Now, in his fourth year of law school (he goes to class on Saturdays), he manages to get in a little recreation, going diving or listening to music. He admits, however, that he always finds time for a few mortal sins, and that being a Vivas Lugo gives him easier access to the current ruling class, most of whom share his privileged background.

Carelessly dressed, without placing much emphasis on proper appearances, capable of laughing at himself if the occasion arises, this police chief must mobilize the bulk of his forces, including secretaries and press spokesmen, to guard the Presidential Palace and the National Assembly when there are demonstrations in front of them. These constant activities over the last two years have accounted for a national average of 2.6 percent of daily police work.

Why is he a policeman? Why are there people who want to be police officers?

Vivas sees it as a way of serving the community. Others say that a policeman feels powerful when he puts on his uniform. In any event, he is not doing it for the money, as the salary has been meager since revolutionary times. Now, however, there are reduced benefits and greater contrasts between rich and poor.

[Saballos] In the trade unions' street demonstrations, people say they feel threatened by the police.

[Vivas Lugo] Angelita, we must distinguish among three different circumstances in which citizens have contact with the police. When they are driving around and see an officer, I do not agree that they feel threatened or in danger. During Somoza's time, I would see a National Guardsman and cross the street. Now citizens do not feel that the police presence is intimidating. Another time citizens have contact with the police is when they are victims of crime. They do not feel threatened in this situation, either. There is a habitual tendency for the population to turn to the police in these cases. People feel protected by the police. Obviously, in political and labor conflicts, it is normal for the person protesting to feel threatened, because protests in Nicaragua are not like those in other countries, where people stage them within a certain legal framework. In Nicaragua, protests mean burning tires, blocking streets, parking buses and trucks in the main arteries of the city, using rocks, pistols, and grenades, and on many occasions displaying completely intransigent attitudes. It is our job to maintain order during these circumstances and to prevent excesses.

[Saballos] But there is another part of the population that says that the police are accomplices and do not maintain order.

[Vivas Lugo] We can never please anyone. The protesters say they feel threatened, and the citizens who do not agree with the demonstrators' point of view criticize us for not clubbing them and forcibly ejecting them, as they would prefer and as police in other countries do. Our restrained approach to resolving these conflicts is not shared by some. But when those people protest, they expect the same treatment by the police.

[Saballos] An example?

[Vivas Lugo] When the Let's Save Democracy Movement burned the streets of Region V, they did not agree with the police's efforts to clear the streets and the city government buildings that had been taken over and to forcefully put an end to the situation in Region V. Or when the demobilized troops of the Resistance blockaded the Pan American Highway in the northern part of the country, they did not want the police to remove

them. The opposing sectors want the police to operate by fire and sword. This is what happens in a polarized society.

[Saballos] What is the mission of the police? What are your obligations?

[Vivas Lugo] It is clear: enforce the law and impose public order.

[Saballos] Are you able to do so easily? Are you up to the task?

[Vivas Lugo] We are not in Switzerland here, or in Costa Rica, or in some normal country. We are in a country that just emerged from a war we waged for 10 years. Some sources say there were 50,000 casualties, tens of thousands of victims of the war, a highly polarized society. When we take action, we are very mindful of the situation our country is going through right now. Political and labor problems have accounted for 2.6 percent of our daily activities for the last two years.

[Saballos] Some say this police force is partisan, pro-Sandinist.

[Vivas Lugo] That is an interesting assertion. I do not believe the polls entirely, but Mr. Antonio Lacayo (minister of the presidency) sent me a poll—I did not know they were conducting any—asking people's opinions of the police, and what party they belonged to. For example, just over 63 percent of those who said they belong to the Sandinist National Liberation Front (FSLN) gave a favorable opinion, while 23 or 24 percent had an unfavorable opinion. There was a small percentage who gave no response. Then other citizens who claimed to have voted for the National Opposition Union (UNO) were asked what they thought of the police. Sixty-four percent of them responded favorably, and the unfavorable response was even smaller than among the Sandinists. The favorable opinions amounted to 60 percent in the group that claimed not to belong to any political group or party. In other words, favorable opinions outweighed unfavorable ones in all the different groups of citizens.

[Saballos] Why, then, have the police become a thorn in the side for some who say that they are partisan? In this case, I am referring specifically to U.S. Secretary of State James Baker, who even mentioned the possibility of American advisers for the police.

[Vivas Lugo] We have never hidden the fact that the police force is an offspring of the Revolution. All of us who were in the police on 25 April 1990, when Dona Violeta took office as president of the country, were Sandinists. In the polarization that existed as a result of the campaign, that became the bone of contention. When it comes time to act, however, regardless of our revolutionary and Sandinist thinking, when a crime is committed, we do not ask what party or political affiliation people have; we try to adhere to the law as closely as possible. And in the social conflicts, we have maintained more or less the same attitude whether the conflicts come from the resistance, the recompas [former Sandinist People's Army soldiers who have taken up arms], the National Workers Front (FNT), Let's Save Democracy, or other dissatisfied groups today.

[Saballos] The people complain because often the police do not respond when they are called in the middle of crimes such as robberies or murders. Why do they not arrive on the scene immediately?

[Vivas Lugo] This is a very serious problem, and the people are right to complain. We do not respond for two reasons: first, the lack of resources. We do not have communication facilities, fuel, vehicles, or travel expenses. And secondly, the lack of personnel.

[Saballos] What is the ratio of officers to residents?

[Vivas Lugo] We have 16 officers for every 10,000 residents.

[Saballos] How many should you have?

[Vivas Lugo] The United Nations says that in countries similar to ours, there were 91 officers per 10,000 inhabitants in the 1980's. According to that figure, we should have 30,000 men, and we have 6,480 or so.

[Saballos] Does that include the Highway Patrol?

[Vivas Lugo] All of them, all of them. The traffic police, the surveillance patrols, the investigation brigades, the embassy guards, the officers who protect government officials, all of them.

[Saballos] Is this because there is not enough money or because people do not want to be police officers?

[Vivas Lugo] I have hundreds of applications from citizens who want to join the police force. The problem is that there is no money.

[Saballos] How much does a traffic officer make?

[Vivas Lugo] Four hundred seventy-nine.

[Saballos] And investigators?

[Vivas Lugo] Around 700 cordobas. A cook working for a wealthy family earns more than one of our officers. He takes home 557 cordobas. They do not get the basic food basket.

[Saballos] Given that pay scale, are there officers on the take? Is there corruption, bribery?

[Vivas Lugo] Yes. That is one of the problems we find most disturbing. There has been very little corruption in the police force. That was something we were proud of in years past. There have been isolated incidents, and the citizens regarded that as one of the greatest virtues, that morality in police behavior. Fortunately, corruption is still an isolated phenomenon, but unfortunately, we are discovering cases of officers receiving money in exchange for looking the other way in certain situations,

especially with minor offenses. We have not seen it yet in major crimes, with drug traffickers or bands of violent criminals, but we have seen it in the traffic divisions and in the enforcement of other minor offenses, we have discovered cases of bribery.

[Saballos] Earlier I asked you about foreign advisers. Can you comment on that?

[Vivas Lugo] We do not have foreign advisers. We could mention Spain, which has given us material goods, transportation, equipment, and limited advice on organizational matters. [passage omitted]

[Saballos] Do you have a special budget for combating the increase in drugs?

[Vivas Lugo] Very little. For example, because the Norwines Meneses case occurred on a weekend, I had to borrow money to cover the expenses of the operation.

[Saballos] Who lent you the money?

[Vivas Lugo] A neighbor of mine.

[Saballos] Is there any particular reason for this financial neglect of the police, this lack of funding? Is it an attempt to destroy the police? The population needs to have a police force.

[Vivas Lugo] I do not think anyone is trying to destroy the police. I think the government is concerned about this and aware of it. I think that the same thing is happening to the police as is happening to Dr. Salmeron [minister of health]. I do not think the government is deliberately setting out to destroy the people's health, but the conditions at the Health Ministry are dismal, which proves that the country has no resources. We have a very limited budget, a very tight one that does not allow us to meet the needs of the Ministry of the Interior, and in particular, those of the police. We receive only 26 percent of the Ministry of the Interior's budget, even though we account for about 60 percent of the ministry's employees. I think we are the cheapest police force in Latin America.

[Saballos] What frustrations do you feel in view of this situation?

[Vivas Lugo] It is a challenge. If we get frustrated, we run the risk of just sitting on our hands and allowing the circumstances to control us. We are committed to the country's stability; we are convinced that the country demands stability. Hunger, poverty, unemployment, the extremely severe crisis that the country is undergoing, can be solved in just one way: through stability and work. The hope of receiving a hefty amount of foreign aid is growing dimmer and dimmer, in my opinion. No one is going to come here and give us a lot of money. We must work hard and diligently, we must try to guarantee property ownership and employment. We must eliminate the vestiges of the vengeful attitude that still exists in our society. The police are committed to making a serious and responsible contribution to the country's stability.

[Saballos] But how can that be done without money and without officers?

[Vivas Lugo] We need to at least double the size of our forces. The solution to the social conflicts is still a long way off. That requires our effort and attention. Besides, crime is still on the rise. The more poverty there is, the more crime, and material poverty leads to human misery.

[Saballos] Who will defend me from the police if they do not behave properly?

[Vivas Lugo] First Floor, Plaza del Sol Building, Drs. Felix Guido and Adan Cuadra. They take complaints against the police.

[Box, p 10]

Police Forces

In Nicaragua there are:

- 16 police officers for every 10,000 inhabitants;
- 5 investigators for every 100 crimes;
- 5 prevention officers for every 10,000 inhabitants;
- 0.8 traffic regulators for every 1,000 vehicles;
- 2.4 regulators for every 100 accidents

Criminal Activity

- Crime has increased steadily since 1985. Annual growth was 7 percent and 8.3 percent in 1990 and 1991, respectively, which means more than 2,000 additional cases each year.
- The demographic crime index has risen from 48 crimes per 10,000 inhabitants in 1985 to 75 in 1990 and 78 in 1991.
- The average number of crimes committed each day was 42 in 1985 and climbed to 77 in 1990 and 83 in 1991.
- The types of crimes with the greatest increases in 1991 are murders, 31 percent; rapes, 25 percent; and robberies, 23 percent.

Panama

U.S. Officers Said Part of Plot Against Endara

PA2604125792 Panama City LA PRENSA in Spanish 26 Apr 92 p 1

[Report by Vilma E. Figueroa B.]

[Text] Emilio de Leon, ranking public prosecutor for the superior court of Chiriqui Province, has announced that investigations conducted by the Attorney General's Office indicate that four ranking U.S. Army officers and two active National Police majors, whose identities he

chose not to disclose, have been accused of participating in the alleged plot against Guillermo Endara.

The prosecutor's statements came after President Endara publicly expressed his dissatisfaction with the "superficial" manner in which the Attorney General's Office has conducted the investigation of subversive movements against him.

De Leon announced that the investigations have not yet concluded, and because of their delicate nature, they have been surrounded by a great deal of secrecy.

He added that due to statements by Chiriqui Governor Edgar de Puy, who said that he has information concerning the destabilization movements that began in October 1990 and became known after 4 and 5 December [1990], he has asked the governor to send him this information so that it can be added to the record.

The prosecutor said that the U.S. officers' involvement was learned after some of the people being questioned told him that the U.S. soldiers knew of the movements and were holding talks with the Panamanians plotting the coup, because they were not in favor of turning the Defense Forces into a Public Force.

De Leon pointed out that Judge Ariel Alvarez has sent the file containing all the information related to the destabilization movements to Panama City, where facts surrounding the incidents of October 1990, such as the placement of bombs and the police rebellion of 4 and 5 December, will be reevaluated.

De Leon explained that, although the alleged involvement of the four U.S. officers in the destabilization movements is being investigated, it does not imply that the U.S. Government was aware of their actions.

He added that approximately three months ago, the U.S. Government sent several officials to Panama so that the Panamanian authorities could apprise them of the alleged involvement of the U.S. officers.

General Strike Begins in Colon 23 Apr

Endara Refuses To Visit

PA2504013892 Panama City CRITICA LIBRE in Spanish 24 Apr 92 pp 1, 38

[Report by Mauro Garcia and Arnulfo Mendoza]

[Text] Colon—At midnight on 23 April organizations that back the Unemployment Movement started a general strike. Simultaneously, town councilmen took over the governor's office and said they would hold permanent sessions to analyze the crisis affecting the country's second largest city.

President Guillermo Endara Galimany reiterated that he will not go to Colon. Governor Alfredo Ehlers said he had recommended that the president not be pressured into visiting Colon. Ehlers told the councilmen to avoid exerting this type of pressure.

In Panama City, the Doctrinaire Panamenist Party [PPD] issued a communique stating that "never in our country's history has a government, elected by the people (the current government won an electoral majority prior to being sworn in on Fort Clayton) deteriorated so quickly as the current government has." The PPD says that "when the people of Colon take to the streets to demand respect for their right to life, they are answered with tear gas, birdshot, and bullets, in a repression fit for barbarians." The communique calls for "ranks to be closed against the abuse, outrage, and dehumanization characteristic of the regime before it is too late." The proclamation was made by Jose Salvador Munoz, Thelma King, and Julia Suira.

Late on 23 April the Colon councilmen decided not to accept the president's invitation to discuss the Colon crisis at the Palace of the Herons. Since 0400 on 23 April, riot police have guarded the roads to and from Colon to prevent traffic being blocked. There have been no incidents. At 1630 on 23 April there was a march through the main streets to seek community support for the strike, which has the backing of various organized unions and influential people in Colon Province. Groups also called for civil disobedience by evading government tax payments. A spokesman for small businessmen said: "The train's engine started last night, after several years of derailment."

President Guillermo Endara reiterated on 23 April that he will not travel to Colon, as Colon residents have demanded. They gave him 40 hours to comply with their request. On 24 April the deadline expires for Endara to give definite solutions to the population's most urgent needs.

Endara pointed out that his government, unlike its predecessors that did nothing for Colon Province, has made great efforts to benefit that area. The president handed to media representatives a document compiled by the Comptroller General's Office listing bids that were made official and approved for Colon Province between 1 January 1990 and 31 March 1992. Many experts believe that they constitute only "patchwork" or maintenance projects.

Demonstrators Block Streets

PA2404192092 Panama City Telemetro Television Network in Spanish 1730 GMT 24 Apr 92

[Text] On 24 April, antiriot policemen prevented members of the Movement of Unemployed from blocking access to Colon. Jose Gomez reports on the incidents during the march and general strike. In addition, public transportation workers are also on strike.

[Begin Gomez recording] A stoppage of activities started in Colon this morning. Antiriot policemen prevented demonstrators from blocking access to the city, but

protest marches continue relentlessly. Most businesses operate cautiously, closing and locking their iron railings whenever demonstrators approach.

A few minutes ago, the marchers arrived in the vicinity of 16th Street. Meanwhile, policemen with gas masks, shields, shotguns, and red tear gas grenades slung from their belts took up positions. Earlier, the demonstrators had been repressed when they tried to block access to the city. A few minutes ago, the demonstrators also passed in front of the Free Zone, where they stopped. They then continued to the center of the city, all the time shouting their accusations and demanding jobs. [end recording]

A few minutes ago, Gomez reported to this station that antiriot policemen were unable to prevent the blocking of streets around Colon. The demonstrators divided into groups to block the streets.

Businessmen Issue Communique

PA2404191192 Panama City CRITICA LIBRE in Spanish 24 Apr 92 p 22

["Communique to the nation" issued by the Association of Colon Free Zone Users in Colon on 23 April]

[Text] Considering the recent events that have taken place in the city of Colon, the Association of Colon Free Zone Users expresses the following:

We fully recognize that the situation of the population of Colon is critical and it demands and requires permanent short-term solutions. These solutions commit the government and the private sector, both important players in the socioeconomic development of this city.

We repudiate:

1. The method of pressure that basically generates negative actions toward the very people of Colon and substantially affects the private sector, which should participate in the solutions to the problems affecting this city.

2. The constant veiled threats against Colon businessmen to force them to close their stores in order to portray a false image of support for the movement.

3. The continuous threats of looting and vandalism against private sector installations.

4. The infiltration of political and subversive individuals who are aware of the limitations to finding prompt solutions to the problems. They manipulate public disorder in an organized and systematic manner.

5. The assaults perpetrated against local and international businessmen as they enter the Colon Free Zone.

We support:

The actions taken by Governor Dr. Alfredo Ehlers, Mayor Alcibiades Gonzalez, and Major Milton Castillo, Colon police chief, as basic pillars to strengthen democracy and the free enterprise system, for which it is necessary to respect civilian authorities.

We recommend that the following actions be immediately adopted:

1. Order and security for the people of Colon and the private sector must be restored to create the proper atmosphere so that the true and genuine leaders of the movement can sit down to talk with government officials, taking into account the interests of the population instead of selfish political interests.

2. All businessmen from the Colon Free Zone and the city of Colon must be warned to take rapid and necessary action in order to protect their investments.

We reaffirm our conviction that the path of dialogue is the right way to resolve problems in good faith among human beings.

Given in the city of Colon, on 22 April 1992.

Association of Colon Free Zone Users

[Signed] Victor Lewis

Acting president

Unemployed Continue Protests

PA2604135392 Panama City LA PRENSA in Spanish 25 Apr 92 p 1A

[Report by Irene Hernandez G.]

[Text] Colon Province shopkeepers have suffered losses in the millions over the past four days of strife involving the Movement of the Colon Province Unemployed [Movimiento de Desempleados de Colon—Modesco], which for a second day has forced businessmen to close their doors with threats of looting.

Transportation unions have fully supported Modesco's call for a general strike. The unions brought activities in the province to a halt because most people were unable to get to their jobs. Along those lines, cargo truck drivers briefly closed the entrance to the Panama Refinery in Cativa to support the unemployed.

The threat of possible clashes between demonstrators and riot police prompted education authorities to suspend classes on 24 April. The riot police clashed with some Modesco members early in the morning, and although no one was injured, two people were arrested.

At 1000, Modesco members marched through the city's main streets as part of their protest. The demonstrators forced shops that were open to close. When queried by LA PRENSA, one of the merchants stated in a worried and annoyed tone: "It is time the government brought order to this place because we cannot go on living this way." Other store owners, whose shops were closed to

the public, stood outside and said they would not open their stores for fear of vandalism and looting.

Meanwhile, the city was semi-deserted because businesses were closed by the measures imposed by Modesco. The Free Zone was also affected because it did not register the usual business activity. The situation in Colon Province grew more tense when the demonstrators put up roadblocks and burned tires along Central Avenue to halt the flow of traffic. At 1200, and under the close watch of the riot police, Modesco members blocked access to the city near 16th Street for two hours, in an action they described as "symbolic."

When the time of the symbolic closing concluded, it began to rain heavily in the city, forcing the demonstrators to run for cover. The riot police, meanwhile, took advantage of the situation to take positions at strategic points to prevent another street closing. It was reported that two Modesco leaders were arrested while the street was blocked, but would be released shortly.

While the Modesco members took shelter from the rain at the San Jose Church, a very small group of hooligans, who had infiltrated the ranks of the protesters, began to hurl stones at the police and newspaper photographers covering the events. The riot police immediately brought the situation under control by firing birdshot into the air and hurling tear gas.

Felipe Fung, president of the Colon Chamber of Commerce and Industry, said that this association does not support any general strike in the city, because, he noted, this kind of measure is not helpful in any way to the province nor to its inhabitants.

Nevertheless, the representatives of this association did express their support for the demands of the jobless, which they labelled legitimate aspirations and called for the government to create jobs very soon.

Concerning the decision by a majority of local merchants not to open, Fung said that the association supports the decision as it would be a sure means of protecting the different businesses.

"Moreover, we also demand that the authorities offer suitable protection for the merchants and the community. We also demand that the government continue to engage in a direct dialogue as an effective means to obtain such long sought solutions," Fung stressed.

Meanwhile, Victor Lewis, acting president of the Association of Free Zone Users, indicated that the problems that exist in Colon can only by resolved through joint action, undertaken by the private sector and the government. "It must not be thought, however, that the businessmen want to play a role that belongs solely to the government," he noted.

Argentina

Di Tella Denies 'Turn' in Policy on Peru

PY2404221492 Buenos Aires TELAM in Spanish 2105 GMT 24 Apr 92

[Text] Cordoba, 24 Apr (TELAM)—Foreign Minister Guido Di Tella stated here today that the Argentine policy on the Peruvian issue had not taken "any turn" and reiterated that Alberto Fujimori "has unleashed an extremely serious process, which we have condemned."

Elaborating on his denial, Di Tella said: "No country has failed to recognize the current Peruvian Government as a de facto government, but our position is unequivocal: Human rights and democracy have been violated."

Di Tella, who arrived in this city to carry out several activities, emphasized that within this context "the Argentine policy had not taken any turn."

Di Tella noted that the position taken at the OAS by some countries "initially provoked some reactions." In this regard, he said that "the prisoners have been released" and announced that the OAS Human Rights Commission will verify in Peru "if human rights are being respected."

Di Tella added: "Censorship was lifted as a result of international pressure. We are analyzing the program for restoration of democracy (proposed by Fujimori), which we think is unsatisfactory, but we want to analyze it."

He reported that "next week I am going to Peru with other foreign ministers of the Rio Group to make a firsthand evaluation of the situation."

Di Tella, who arrived here this morning, paid a courtesy call on Cordoba Vice Governor Edgardo Grosso, who is the acting governor during Governor Angeloz' current tour of Europe. He also contacted provincial lawmakers and attended an academic ceremony at the University of Cordoba.

In remarks to the press on the situation of Argentine observers in Yugoslavia, Di Tella said: "The situation is serious in the area to which the Argentine peacekeeping forces have been deployed. There are both risky and safe zones in Yugoslavia, but the UN peacekeeping forces will comply with their mission."

Asked about the possibility of a devaluation of the Argentine peso in the near future, he said: "Although I am on vacation as an economist, I may state that there will in no way be any devaluation."

Commenting on his meeting with the Cordoba vice governor, Di Tella said they addressed the importance of "ironing out differences" between the federal government and provincial governments in the wake of Governor Angeloz' charge that the federal government was carrying out a campaign against his government. Di Tella said that relations with the Radical Civic Union are "excellent."

Asked if the "Venezuela effect" could also have an impact in Argentina, Di Tella said: "In no way could it happen here." He added: "There is a true nationalist group (referring to the Armed Forces) in Argentina, which truly defends our national existence unlike those who claim to do so with hollow words, rhetoric, or idle talk. We want to defend the country's overall interests. This is true nationalism; everything else is just small talk."

Di Tella added that relations with Israel "are excellent" after the attack on its embassy in Buenos Aires. He said Argentina was "an innocent victim" of a fight between extreme groups that used our country as "a stage" for their operations.

Di Tella Terms Ties With U.S. 'Advantageous'

PY2704030492 Buenos Aires TELAM in Spanish 1221 GMT 26 Apr 92

[Text] Argentine Foreign Minister Guido di Tella has stated that "to defend our interests" "it is more advantageous for us to get along with rather that not get along with the United States."

In an interview published today by the morning newspaper LA VOZ DEL INTERIOR [The Interior's Voice], Di Tella said: "In the past we did not properly take into account relations of power to defend our interests. The United States is the world's most powerful country—at least, for the time being—and will continue to be so for a few more years."

Commenting on the new dynamic relations with the United States being promoted by Argentina, Di Tella alluded to the Brady Plan, stating: "This would not have been possible if we had maintained unfriendly, unfaithful relations as occurred three years ago."

Di Tella said: "We have promoted very clear policies. We decided to separate from the nonaligned countries because this relation did not benefit us. We approached the alliance with Western countries, not just the United States, but 30 or 40 other countries. The Brady Plan has made feasible the implementation of major privatization and oil investment programs. This has been possible with the assistance of our current foreign policy system."

In reply to a question, Di Tella said: "The United States is the leading country among the three economic powers, followed by the EEC and Japan, but the United States has the worst growth rate, while Japan has the best."

Consequently, he said: "The prospects indicate that within 15 years, Japan could become the leading power with respect to the United States, and we will need to revalue our relations with these countries in the next 20 years."

He said: "We basically need to maintain a preference for these three great economic powers for the time being, considering that the development of relations with Japan, which are still very insignificant in the economic field, is a long process."

Seineldin on Foreign Policy, Venezuelan Coup

PY2604021492 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0105 GMT 25 Apr 92

[Text] Buenos Aires, 24 Apr (NA)—Mohamed Ali Seineldin, the Army dissident sector's imprisoned leader, warned about the existence of an international painted face "sentiment" and alleged that "the Argentine Foreign Ministry is a U.S. branch office."

Seineldin indicated: "What kind of foreign policy is being discussed? Policies can be discussed if sovereignty prevails, but the Argentine Foreign Ministry is a U.S. branch office and it is a well-known fact that our foreign and domestic policies strictly adhere to foreign interests that have nothing to do with us."

Seineldin also criticized the government's performance, claiming that "different things can be done" like, for example, "being honest, austere, and able."

Seineldin said he did not make a mistake "concerning the motives" of the uprising of 3 December 1990, although he admitted that he made a mistake "in not disclosing beforehand to the public the ideals and objectives" of the movement.

In written remarks to the magazine SOMOS, Seineldin also said that he made another mistake in "not foreseeing the disproportionate reaction" of President Carlos Menem, who "ordered a massacre, causing a useless and unnecessary bloodbath and so many innocent victims."

Seineldin said he does not support military coups. In his opinion, however, "when a democracy becomes prostituted, betrays the people's mandate and no longer favors common good, the people make room." [sentence as received]

Seineldin also said that he identified himself "with the causes and motives" of the coupist Venezuelan military men and, although he made it clear that he "never" met any of their representatives, Seineldin said the "four years" he spent in Panama allowed him "to understand the situation of the countries in that region."

With respect to the "international painted faces," Seineldin said: "It does not exist formally, but sentimentally." He said: "The serious cultural, political, and military situation in our continent makes us, honorable and worthy men, understand each other at a distance." As an example, Seineldin said: "The same way that San Martin, Bolivar, O'Higgins, Sucre, and Artigas did."

Asked about his stance with respect to the coup d'etat that overthrew Isabel Peron, Seineldin made it clear that he did not have any "relationship with any of the members of the national reorganization process," with the exception of former de facto President Jorge Videla, to whom he was "subordinate at the National War College."

Seineldin noted: "When I discovered the disruption of constitutional order in 1976, I strongly argued with the Infantry School authorities, and this prompted my transfer to another assignment."

In conclusion, Seineldin made it clear that it is "one thing to be a coupist and quite another thing to be concerned about our fatherland's political situation," choosing to include himself in the latter group.

Menem Discusses Issues With Military Chiefs

PY2604031492 Buenos Aires TELAM in Spanish 2152 GMT 23 Apr 92

[Text] Buenos Aires, 23 Apr (TELAM)—Defense Minister Antonio Erman Gonzalez has confirmed that he "is willing to transfer the Magdalena Tank Regiment" and explained that "there are a number of infrastructure problems that still must be resolved, but the political decision already has been made."

The defense minister made these remarks at the end of a meeting between President Carlos Menem and senior military officers at the barbecue pit of the metropolitan airport's military section. Gonzalez said the reorganization of the military units has been foreseen as part of a "new concept of the Armed Forces."

Erman Gonzalez said: "Some schools that were operating in Campo de Mayo already are moving out." With respect to the sale of properties and the privatization of defense enterprises, he said it is necessary to comply with "their streamlining first and then their reorganization will follow."

The defense minister noted that by establishing the Armed Forces' goal for the year 2000, "all the programs to be implemented in order to pursue that reorganization—the sales, the transfers—are part of this program of previous streamlining."

During the meeting President Menem held with the Armed Forces senior military officers, a meeting that ended with a luncheon, the chief executive became acquainted with the tasks carried out by our country's commanding officers and issued directives on defense policy.

Concerning the meeting, Erman Gonzalez explained that the Armed Forces Joint Staff invited the president to hold a meeting with the senior military officers "after a working meeting held by our country's commanding officers."

Gonzalez explained that the president, in his position as Armed Forces commander in chief, "plays a directive

role on the general policy of the Armed Forces role and the policy currently pursued in the Armed Forces field."

During the meeting, the Joint Staff chief informed the president about the directives issued to the branches for their military guidelines update, placing special emphasis on joint tasks, in accordance with the executive branch's directives.

Menem arrived in the military section at 1336 and was met by the defense minister; Joint Staff chief Admiral Emilio Osses; Army Chief of Staff General Martin Balza; Brigadier Jose Julia, Air Force chief of staff; and the Naval Operations commander, Vice Admiral Juan Bou, who represented Navy Chief of Staff Admiral Jorge Ferrer, who is on an official visit abroad.

Strategic commanders, who informed the president about the military events scheduled for this year, also were present. The luncheon with the 20 senior military officers was served at the barbecue pit of the airport's military base.

After discussing other issues related to the operation of the armed institutions, their reorganization and modernization, the president reportedly expressed his willingness to observe on the ground the joint maneuvers scheduled in the military timetable.

* Cavallo on Political Ambitions, Reelection

92SM0357A Buenos Aires CLARIN in Spanish
26 Mar 92 pp 2-3

[Interview with Domingo Cavallo, minister of economy and public works and services, by Alcadio Ona, Martin Ravazani, and Marcelo Bonelli; place and date not given; first paragraph is introduction]

[Text] Domingo Cavallo says he does not want to be president of Argentina, at least not in 1995, that he expects Menem to be reelected, and that he might run for the governorship of Cordoba. He says some people are trying to influence the chief of state's decisions: "People who have heard some casual remark during a tennis game, while watching television, or at a dinner." He believes that if the government acts well and does not deviate from the course it has set for itself, Carlos Menem will be reelected without resorting to "purely institutional schemes or deals."

Two days ago, on Tuesday, Carlos Menem fully endorsed the job Domingo Cavallo has done. But he also made an interesting comment: he said the minister might have political ambitions—to be governor of Cordoba or even, he said, president of Argentina.

Menem's statements were preceded by an impression that has easily taken root in the political scene: that the president and his minister are engaged in a power struggle. There has also been talk of Cavallo's resignation, of clashes with Menem, internal disputes inside the government, and the interests involved in these disputes.

During CLARIN's interview yesterday with the man in charge of economic issues, these and other topics were discussed.

[CLARIN] Carlos Menem said that you have political ambitions—to be governor of Cordoba and even president of Argentina. What about that?

[Cavallo] Here is the absolute truth. I am not doing any political planning. Neither general nor personal, neither mid- nor long-term. I do not believe in the effectiveness of that sort of political planning. I believe Carlos Menem, Domingo Cavallo, and those who of us who support Carlos Menem have a great future: we, our children, and also the opposition leaders who do not place obstacles in the way of the reforms being carried out. We have a great political future, a great personal and family future. I am sure that the Argentine people are going to want to reelect Menem if Menem continues to govern as he has been, if he consolidates his achievements and moves forward.

The best way I can work for Menem's reelection is to be a good minister of the economy and public works and services. Far from reducing my future political chances, that will improve them. If in 1995, for example, I had the opportunity to play in Cordoba the role that Duhalde played in Buenos Aires last year, of course I would do so.

What I am now telling you I told the president last Friday, and he translated by saying that Cavallo has political ambitions. It is natural for everyone to have political ambitions; that does not bother him. And he mentioned that about Cordoba and even possibly the presidency, not in 1995, but at some other time. I repeat that I am making no personal political plans. I know that we all have a great future.

[CLARIN] What did the president say to you on Friday?

[Cavallo] What I have just told you. The president was also very clear. Before speaking of my "natural political ambitions," he mentioned the sense of responsibility that I told you about. My role at this time, and the only role that will be good for the Argentine people and for myself in the future, is for me to do my job as minister of the economy and public works and services. I am going to work with President Menem as long as he feels that I am needed.

The Reelection

[CLARIN] Then you agree about Menem's reelection....

[Cavallo] Of course. I believe that the way to work for Menem's reelection is to govern well. I believe the Argentine people do want to reelect Menem, and what they want they will do if the government contines to move ahead in the direction in which it is going and if it consolidates its gains. It must not turn in the opposite direction. Trying to ensure Menem's reelection with institutional schemes and deals would mean that we are not being effective in solving the people's problems.

[CLARIN] There is a strong feeling that a power struggle is going on between you and the president....

[Cavallo] That is just sensationalism. In general, that impression has been created because of things that were reported in the press, which reporters kept talking about. I do not blame the press; you are obviously professionals. But you know that reporters feed on rumors, opinions, on many sources.

Menem and Menem

[CLARIN] You have no opinion about how that happened?

[Cavallo] I do, but there are some things I will not discuss....

[CLARIN] Are the people involved opponents of the economic plan?

[Cavallo] I believe they are people who are opposed to President Menem's plan. For there is no economic plan separate from President Menem's integral plan. I will make another suggestion. I believe that even among President Menem's supporters there are some who know the Menem who is going to go down in history, and others who think they know the real Menem but who only know the everyday Menem. I have learned to work with the Menem of history, the Menem who won the election.

And Then What?

That is the Menem whom I know, the Menem with whom I am deal. I believe there are some people who think Menem is another sort of person. They write stories about Menem and believe they are interpreting some action or some word they happened to overhear while playing tennis, watching television, or perhaps in a crowded dinner. They could have the power to influence decisions by diverting the Menem of history from his true course.

[CLARIN] Then the president's words could be understood as a message not only directed outside but also inside the government, intended to cool down such aspirations.

[Cavallo] President Menem was concerned, as I was concerned, about all these rumors and this climate that some people have tried to create, an atmosphere of rumors, disputes, and power struggles...inside the government. Imagine me saying or trying to convey the impression that I am so essential that a setback in my economic work would endanger the government's institutional stability. I never said that. What I did say is that whoever devalues the currency, violating the public's trust and breaking the convertibility law, is going to endanger institutional stability. But that can not endanger President Menem's government. President Menem's government does not have even the slightest idea of violating the convertibility law, and that is why I was so emphatic about that topic. Now some people have thought that in some specific circumstances President Menem might set an example, perhaps replacing me by a minister who would begin by ordering a devaluation. Those who have that idea are totally mistaken. President Menem is never going to do that. Just as I am never going to devalue the currency. That is the plain truth. Now, we have an obligation to try to keep mistakes from taking root in public opinion, so when we see persistent erroneous commentaries we have to clear them up by speaking out emphatically. That is what President Menem has just done, speaking on the issue of political support for his economic team.

[CLARIN] Is it true that the president brought this topic up in a national cabinet meeting and that he felt your statements on the exchange policy had been imprudent?

[Cavallo] The president did raise this issue, but with a tone, in a context, and with my own comments afterwards, that were all totally different from what the press reported. The version that came out in the press does not reflect either what the president meant and said, what I answered, or the climate in the cabinet session at that moment.... We would be wasting time if I told you exactly how everything was said, and I can not go into that because cabinet meetings are secret. But what I can tell is that an article that came out on Monday (not in CLARIN) was written by someone who wanted to create a problem between the president and the minister of the economy, or to create the impression that there are problems. That does not at all reflect the reality of that cabinet meeting. It does not reflect it in any way. There may be some words that were said or there might have been a report of a speech that was accurate. But you know very well that the meaning of a word or a speech depends on how it was said, on the later reaction, the climate, the tone, and the context.

[CLARIN] Might there then be someone who wants to weaken the minister of the economy precisely when the foreign debt negotiations are being worked out?

[Cavallo] Yes. But I do not think foreign bankers are in any way responsible for that. First, I believe that there are people with excessive, inappropriate ambitions, who only know the everyday Menem and who do not understand how Menem makes decisions on strategic issues. Secondly: there are people who are so spiritually, emotionally, and economically committed to the interests of the creditors that even without anyone asking them to, they think they are doing the nation a service by weakening the economic team and suggesting that we have no political backing or that we are going to be replaced immediately after the Brady negotiations end. These are the people who started this campaign, but not because foreign bankers have asked them to. These are people who, because of their closeness to the banks and because they made their money through financial speculation during economic boom times, feel that they are, shall we say, obliged to acts as advocates for what they believe are the interests and desires of international bankers.

Styles and Internal Disputes

The last few days have been particularly full ones in the relationship between Carlos Menem and Domingo Cavallo. Full of rumors and activity, dominated by the impression—denied by both men—that a power struggle is going on. And there are some, both inside and outside the government, who have assailed the minister of the economy's performance and stability.

There may be some styles that will never change, but in some administration circles it was being said yesterday evening that when Menem spoke out about Cavallo's political ambitions, he was sending a message to the administration's insiders, to the effect that he was not unaware of them.

Quite carefully, yesterday the minister was busy saying that while he did have political ambitions, they were limited to being governor of Cordoba. And taking aim at the internal struggles in the party and at some persistent media critics, he distingished the Menem "who is going to go down in history," the one who makes key decisions—including, of course, economic decisions—from the Menem who can be seen playing tennis, in the Olivos movie theater, or attending a dinner party.

If what was said in the government yesterday is true, something is going to change in the future. Domingo Cavallo is going to take a step back, he is going to move out of the limelight, he is not going to fight internal battles outside; ultimately, they are settled inside the government. If there is something to be thrashed out, the battle is going to take place inside.

It will not be an easy matter for the minister to restrain his impetuosity and his flair for controversy. But he will use them only when economic policy is at stake, for he seems to have noticed that some public battles can only weaken him and at times serve only to strengthen his rival.

* Julia's Role in Helitecno Contract Denounced

92SM0358A Buenos Aires SOMOS in Spanish 16 Mar 92 pp 14-17

[Report by Jorge Grecco, Daniel Vecchiarelli, and Alfredo Gutierrez]

[Text] On 1 October 1990 the commander of the 1st Air Brigade of El Palomar, Commodore Horacio Genolet, affixed his signature to a detailed contract under which the private firm MIDAS S.A. [Comprehensive Maintenance of Aircraft and Systems] was to lease an Air Force hangar:

- The lease involved one of the hangars of Technical Group One, "with everything that was installed and erected there, tools, equipment, etc."
- For its part, MIDAS S.A. was obliged to pay a basic [monthly] rent of $3,000 and an additional fee of 45 percent "of the labor revenues from all contracts entered into with third parties. This amount must be paid within five working days after the date on which the bill for each contract is collected."
- As for the time periods, the parties agreed that "the contract will have a life of one year, as of 1 October 1990; that is to say, it will expire by operation of law on 1 October 1991.... The lease may be extended, pursuant to express agreement of the parties, for six months. To this end the lessee must so request at least two months in advance of the expiration date of the contract."

By paying just $3,000 and an odd percentage of labor revenues (usually company earnings are used for this purpose), MIDAS S.A. was able to make comprehensive use of the hangar and, as a result, enter the market with fixed costs at a more than acceptable level. The Air Force, in turn, got the $3,000 and the ability to place some of its civilian and military staff on the company payroll. In any event, the contract is astonishing for a branch of the armed forces with its own long-standing internal codes that have nothing to do with the laws of the marketplace.

This is not the whole story. The contract expired on 1 October 1991. Two months before, however, as stipulated, MIDAS S.A. sent a letter to the commander of the 1st Air Brigade (Finances Division) in which it expressed a desire to "make use of the extension of the lease." The Air Force did not respond officially but kept on collecting rent for at least two more months.

On 15 January 1992 the 1st Air Brigade sent a letter-document to MIDAS that telling it that "with reference to your note of 1 August 1991, an extension of the lease expiring on 1 October 1991 is not being accepted (clause six of direct contract No. 65/90)." One of the arguments cited to justify the decision is that "we would point out that the 'lessee' vacated the facilities and returned the assets on 1 October 1991. According to the receipt document of 14 October 1991 the 'lessor' had nothing to protest in this regard." The brigade said nothing about why it continued to collect rent, if this had been the case.

MIDAS replied on 17 January: "We are obliged to reject your letter-document because the deadline has passed. Our note dated 1 September 1991, whereby we availed ourselves of the extension provided for in the sixth clause of the binding contract, was accepted by the brigade. In fact, after the original expiration of the contract, on 1 October 1991, the brigade continued to collect the stipulated rent without any comment whatsoever. We are informing you that in connection with the agreed upon extension we have made investments and incurred expenditures relating to a work program that is scheduled to last until 1 April 1992...." The conflict was just beginning.

Julia's Role

The commander of the Air Force, Jose Antonio Julia, has already given more than enough evidence of his skill

as a tightrope walker. During his almost three years on the job he has withstood harsh attacks from Ambassador Terence Todman and Minister Domingo Cavallo, for example. He has leaned mainly on the defense minister, Erman Gonzalez, and President Carlos Menem. He weathered the storm as best he could and survived. He has survived in spite of the Condor project, Edcadassa, Ezeiza, the denunciation by his former second in command, Brigadier Tomas Rodriguez, and the corruption charges. In short, he is a professional survivor.

His contacts with the politically powerful and his influence on several top-echelon brigadiers (nonmembers call the group CorFA, Air Force Corporation) have enabled him to make it through these years alive, albeit with many wounds.

But nothing is forever. Brigadier Rodriguez accused him in July of committing serious irregularities in the direct purchase of $18 million in aircraft equipment and spare parts. Public Prosecutor Gustavo Bruzzone called for his indictment, but the judge investigating the case, Martin Irurzun, has not yet made a decision. The investigations are also focusing on the role played by one of the companies involved in the matter, Helitecno, which is run by former Captain Hector Guevara and Marcelo Bagnole Bernardez.

Surprisingly, the principals in that episode are back on stage (like killing two birds with one stone).

Pablo Wagner Kildegaard, the president of MIDAS, wrote a letter on 23 January 1992 to Brigadier Luis Galindo, retired, the chairman of the Air Force Administrative Commission for Contracting (CACFA) for the purpose of "contesting the lease contract." Kildegaard described what happened with the 1st Air Brigade at El Palomar as a "serious violation" of his company's rights. He added, however, that "even as MIDAS still occupies the facilities, it has learned that they have been leased under similar conditions to the firm Helitecno S.A." Kildegaard went further, asserting that "we are going on record as contesting the contract entered into on 15 November 1991 by the Air Force chief of staff and the firm Helitecno S.A. with regard to the leasing of the facilities."

To summarize, Julia has been charged in connection with his attempt to pull off a spare-parts purchase deal with Helitecno. There are calls for his prosecution. Four months after his former second in command brought criminal action against him, and while he was trying to defend himself in court after court, Julia signed a contract with none other than Helitecno, according to MIDAS.

What could have prompted Julia to hook up again with Helitecno in a deal involving a mere $3,000 lease? The answer is very simple: During its months of operation, MIDAS showed that with the hangar and the facilities provided by the contract it could earn fat profits. What is more, before it was denied the extension, it had already signed a preliminary contract with the Argentine Army to perform several million dollars worth of repairs on its aircraft. If these figures are accurate, then it makes much more sense that Julia insisted on signing his name next to Helitecno's.

The Kohan Connection

"I have several politician friends, Alberto Kohan for example...," Julia admitted to SOMOS as he was vacationing in Pinamar. Kohan is not, of course, the only friend the brigadier can cite, but he is no doubt the one who has done the most for him.

Julia's private secretary, Commodore Juan Jose Lupianez, was the initial link between the military officer and the politician. Lupianez and Kohan have known each other since they were teenagers, when they both lived in Cordoba, SOMOS has learned. Their friendship later strengthened without the need for intermediaries.

One person who has benefited from their friendship is attorney Jose Luis Entin, a former executive with ELMA (Argentine Shipping Lines). Federal Prosecutor Oscar Ciruzzi called for his indictment in 1989 in connection with the investigation of the overvalued purchase of two vessels in Germany, on which the government lost an estimated $20 million.

Entin was one of the seven executives whom, along with the company's former president, the prosecutor had in his sights.

Entin was brought into the Air Force by Kohan. He introduced him to Julia, who gave him a position as a legal counsel to an Air Force agency called Business Coordination (created by Julia's predecessor, Brigadier Ernesto Crespo), which happened to be run by Oscar Julia, the older brother of the Air Force commander and a retired brigadier. Oscar Julia does not enjoy much prestige in the branch and even though he spent many years in the Military Aircraft Factory (he is an engineer), he was unable to preserve his image.

Entin is an adviser to Oscar Julia and the "strong man" in Business Coordination, the agency in charge of all the branch's business deals. When an important issue is at stake, Entin represents the Air Force (on Sunday 9 February the newspaper CLARIN reported that the attorney had signed a letter of intent with Spanish businessmen for another controversial contract).

Those who are investigating the case suspect that Entin is the link between Julia and Helitecno, a fact that would explain the handsome profits that the company is making (or has made) in its business dealings with the Air Force.

Brigadiers S.A.

Serious charges of corruption have been leveled at the Air Force, especially its top echelon, ever since Brigadier Crespo was in command of it under the Radical administration.

One of the cases was eventually dealt with by the National Office of the Public Prosecutor for Administrative Investigations, which on 19 July 1989 declared null and void an agreement that Crespo had signed for a direct contract under which he gave Caritas the concession for the commercial operation of Ezeiza Airport.

The joint ventures between the Air Force and the private firm Villalonga Furlong (Edcadassa under Crespo, Intercargo and Interbaires under Julia) are another source of suspicion.

One of the arguments cited most often to justify the Air Force's involvement in joint ventures with private firms (besides those mentioned above there are contracts similar to the one with the 1st Air Brigade) is the need to raise funds to maintain the branch and to meet obligations such as upkeep at all of the country's airports.

The fact is that right now the Air Force's "business deals," especially those of a few brigadiers, have far exceeded any reasonable limit. They have ceased to be a way of making up for a declining budget. They have become a serious political problem. And someone needs to solve it.

[Box, p 17]

Crespo, the Pioneer

There is a widespread impression both inside and outside the Air Force that Jose Julia is taking after Ernesto Crespo. The branch's current commander has no doubt copied his predecessor's controversial strategy of leasing military installations to private firms, inasmuch as Crespo did so with Rio Cuarto workshops during his term. Crespo authorized the establishment of a cooperative called Armacuar, which was made up of Air Force employees who worked mornings for the branch and afternoons for the private group. It was not long before conflicts arose, because the people who had not joined the cooperative complained about the huge wage gap between the two groups. The cooperative ultimately went out of existence.

Brazil

Rich Countries Asked To Help Global Forum

PY2404001492 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 23 Apr 92

[Text] The Brazilian Government has asked rich countries to help Brazil organize the Global Forum that will meet at the same time as Rio-92 [UN Conference on Environment and Development].

Foreign Minister Celso Lafer, Economy Minister Marcilio Marques Moreira, Education Minister Jose Goldemberg, and Administration Secretary Carlos Garcia met today with ambassadors of the Group of Seven and EC member countries at the Foreign Ministry to discuss financing problems.

Minister Celso Lafer said the organization of that forum is not a Brazilian Government responsibility but a concern of President Fernando Collor.

[Begin Lafer recording] This is not a Brazilian Government responsibility. It is not the foreign minister's responsibility. But President Collor wants the conference to be as broadly represented as possible. The president asked me to personally try to find ways to make the presence of those I call international community representatives possible. [end recording]

Brazil already has spent $3.5 million on the organization of the Global Forum, which will gather NGO's [nongovernment organizations] dedicated to the matter. But there is still a deficit of nearly $7 million that Foreign Minister Celso Lafer wants to get through the participation of international community organizations and the World Bank.

• Intelligence Service To Be Removed From SAE

92SM0354B Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Apr 92 p 1-5

[Text] Brasilia—The international manager of the Rio Doce Valley Company, Eliezer Batista, was chosen yesterday to head the Secretariat of Strategic Affairs (SAE), a position occupied since the start of the administration by Pedro Paulo Leoni Ramos. But the SAE is losing its main component: the intelligence area, which "will be transferred to another sphere of the administration," according to spokesman Pedro Luiz Rodrigues. The SAE replaced the National Intelligence Service (SNI).

The Intelligence Department may be transferred to the Armed Forces General Staff (EMFA). The chief obstacle to that move is the administration's fear that militarizing the intelligence service will further erode the reputation of the armed forces.

The SAE will be restricted to its duties in the planning area, examples being coordination of the multiannual plans and the formulation of nuclear policy. Under Leoni's leadership, the SAE accumulated new powers, among them complete responsibility for the Brazilian nuclear program.

Discussing the SAE's other duties, Rodrigues said it was the agency responsible for the work that led to Brazil's joining the International Atomic Energy Agency and its signing the treaties concerning the peaceful use of nuclear energy.

Rodrigues was unable to say whether the SAE's current premises (those formerly used by the SNI) would be occupied by Eliezer or by the administration's new intelligence agency.

The purpose in separating the intelligence service is to make it more efficient. President Fernando Collor de Mello regards the intelligence sector as being the SAE's main shortcoming. He wants to completely restructure that area.

Collor complains that the SAE does not inform him directly concerning the country's principal affairs. He has been kept better informed by the military intelligence agencies (which he has ordered reduced in size) or by the press.

The separation was recommended by Leoni Ramos. He is lobbying to get his assistant secretary, Flavio Duarte, appointed head of intelligence. Duarte is facing resistance from the military, however, and that may make his appointment impossible.

* Auto Sector Accord, Impact Discussed

92SM0354A Sao Paulo VEJA in Portuguese
1 Apr 92 pp 70-76

[Text] Last Thursday night, vehicle manufacturers, dealers, the metalworkers' union, and the government signed an accord which, from the public's standpoint, looks like a magic agreement. On the following day, the price of cars—all models and types—was reduced by 22 percent. The most expensive model of the Volkswagen Quantum pickup truck cost 96.8 million cruzeiros on Thursday, but on Friday it was being sold for 75.5 million cruzeiros. The price of a Ford Verona fell from 36.7 million to 28.7 million cruzeiros overnight—a drop of 8 million cruzeiros. For anyone wanting to buy a new car, this was the best shock of the year. If the surprise had come the following Wednesday, people would have been justified in thinking it was an April Fool's joke.

Looking at it another way, the auto manufacturers removed all the estimated inflation for March from their price lists. For as far back as anyone can remember, no one has ever heard of such a thing happening in Brazil. "It was a historic milestone," said Minister Marcilio Marques Moreira last Friday. "We achieved something that seemed unattainable. This proves that it is possible to achieve pacts like this one, and I hope that others will follow." According to announcements, the next such agreements may be in the sectors of footwear, textiles, and computers.

Congenital Difficulty

According to the minister, the agreement to reduce automobile prices needs to be viewed from two angles. First of all, its immediate effect is to encourage a price cut that may have a ripple effect and result in a rise in sales, an increase in tax collections, and continued employment for the workers. Over the longer term, there is a commitment by the auto industry to invest $5 billion over a five-year period to modernize and be able to compete in the international market. The agreement is not the salvation of the auto industry and its dealers, who are being suffocated by a recession that has scared buyers away, but it is a first step toward the resumption of normal life. Above all, it represents an act of tremendous symbolic value. The most complex system in the web of Brazilian production—the auto industry, which accounts for 11 percent of the nation's GDP—has reached an agreement that protects the health of everyone concerned while also benefiting the consumer.

From any angle, last week's agreement is unprecedented. Its participants have always demonstrated a congenital difficulty in thinking about customer satisfaction and agreeing on the simplest issues. For their part, the unions have always demanded wage adjustments to keep pace with inflation before beginning any serious talks with employers and the government—as occurred in the series of unsuccessful pacts in which they were represented by CUT [United Federation of Workers] leader Jair Meneguelli. And for their part, the only thing the auto manufacturers knew how to do was ask the government for lower taxes, manufacture out-of-date cars, and push up the price of their vehicles. As for the government, the only thing visible was its voraciousness in collecting taxes and making accusations against the auto manufacturers. A tax of up to 43 percent of the price of an automobile is collected, and that is the highest rate in the world. The Japanese Government charges 11 percent for each automobile, and the United States is content with 6 percent.

Price Reductions

Prices of New Cars After the 22 Percent Reduction (in millions of cruzeiros)

Model	Old price	Amount Reduced	Current price
Uno Mille*	18.1	-2.5	15.6
Chevette Junior	18.1	-4.0	14.1
Gol CL 1.6	23.7	-5.2	18.5
Chevette DL	25.3	-5.6	19.7
Premio SL 1.6*	29.4	-4.0	25.4
Escort L 1.8	31.5	-6.9	24.6
Verona LX 1.8	36.7	-8.0	28.7
Parati GL 1.8	37.7	-8.3	29.4
Kadett SL/E	38.9	-8.6	30.3
Apollo 1.8 GLS	42.5	-9.4	33.1
Tempra Prata 2.0*	50.4	-6.8	43.6
Monza SL/E 1.8	52.2	-11.5	40.7
Versailles Ghia 2.0	72.0	-15.8	56.2
Santana Quantum GLS	96.8	-21.3	75.5

* Since Fiat had canceled a 10 percent price increase two weeks earlier, its car prices will be reduced by only 13.5 percent.

Job Security

It is almost a miracle, but the participants in question have changed their personality. The federal and state governments relinquished 12 percent of the tax (the IPI [tax on manufactured products] in the case of the federal government and the ICMS [merchandise distribution and service tax] in the case of the states). The auto manufacturers reduced their profit margin by 4.5 percent. The auto parts firms relinquished 3 percent of their profits, and the dealers agreed to sacrifice 2.5 percent. That adds up to a 22-percent reduction. "We are creating conditions in which people can start buying cars again," says Jose Carlos Pinheiro Neto, manager of corporate affairs for GM of Brazil. The fact of the matter is that Brazilians could not afford to buy new cars.

As long as the ghosts were ethereal entities named crisis, inflation, or even recession, nobody wanted to sign a pact to give the automobile industry a boost. When the ghost took on the concrete form of a consumer with his billfold closed, agreement appeared. The people signing last week's accord were a frightened crew: union members fearing unemployment, auto manufacturers threatened with brutal losses, and dealers terrified of bankruptcy. Sales had dropped 70 percent since mid-1991. Last year Ford and Volkswagen, having merged as Autolatina, recorded a loss of $143.5 million, while General Motors of Brazil reported its worst results in the past 10 years. The future looked even more bleak. On Thursday, the day the agreement was signed, 72,000 automobiles were in inventory at the assembly plants or in dealers' showrooms for lack of interested buyers. Ironic as it may seem, the power of fear in bringing about the automobile accord may be an indication that the longed-for general pact for the resumption of development has not yet been achieved in Brazil simply because there has been no threat strong enough to give the country a collective scare.

Struggle for Society

The agreement on squashed prices will remain in effect for three months, during which time car prices will be adjusted only for inflation. When that period ends, the agreement may be renewed under the same conditions, altered, or terminated. Under the terms of the pact, the metalworkers will have job security for the next 90 days. During that time, they will receive pay adjustments to reflect monthly inflation, but they have postponed the base date until July. Thus they have relinquished the annual inflation agreement that is due now. Vicente Paulo da Silva ("Vicentinho"), president of the Sao Bernardo and Diadema Metalworkers Union, who spoke for the workers in the negotiations leading to the sectoral pact, said last week: "It is a struggle for society. It is unpleasant to get a wage increase now and see inflation swallowing everything up out there."

In December, when the national economic secretary, Dorothea Werneck, began making preparations for the meeting, she had already seen businessmen and workers meet together many times. The effort had always ended with nothing being achieved. When called together by Dorothea, the two groups tried to repeat that same performance, but the secretary would not allow it. "We must decide whether or not we want to have an automobile industry," she said. "If we don't, we can simply do nothing, and it will disappear by itself." Her audience got the message.

On Thursday, after the agreement had been concluded, Luiz Adelar Scheuer, the representative for Mercedes Benz and president-elect of the National Association of Automotive Vehicle Manufacturers (Anfavea), flattered the secretary. "I would like to thank the great helmswoman of this event, Minister Dorothea," said Scheuer. It was a slip of the tongue. The minister—and Dorothea's boss—is named Marcilio Marques Moreira. Metalworker "Vicentinho" chimed in: "Since he praised you, I will kiss you on behalf of everyone," and he put his arms around her and kissed her vigorously on the cheek.

Rotten Luck

In practice, the agreement will have very pleasant effects for most people involved in the purchase of a new car. Payments to buyers' associations that fall due within the next three months will drop by 22 percent. Insurance rules will also change in the case of new cars (see the box below [not included]). But the slash in automobile prices has also resulted in stories of disaster. Sao Paulo engineer Waldemar Piccolo, Jr., fought with a buyers' association for nine months to get his credit card and finally had to go to the Consumer Protection Department (Procon) for help. On Thursday, with the money in his hand, Piccolo bought a Volkswagen Saveiro for 23 million cruzeiros. On Friday that same car cost 18 million cruzeiros. "It was rotten luck," says Piccolo. If he had waited one more day, he would have received 5 million cruzeiros in cash from the buyers' association and the Saveiro as well.

For the vast majority of buyers, the drop in prices was celebrated as a sort of jackpot. Industrial designer Joyce Carvalho of Rio de Janeiro tried to buy a new Quantum at the start of the year. "I didn't have enough money, so I gave up," she says. On Friday, she learned of the price reduction through the newspapers. And a few hours later, she bought a Quantum for 75 million cruzeiros. A week of indecision also paid off for Sao Paulo lawyer Elias Chabu. He had the money in his pocket but could not decide which car to buy: a Voyage or a Parati pickup truck. On Friday the lawyer bought the Parati for 34 million cruzeiros. That was the list price, without the reduction. The dealer, because he had received no official notice of the agreement, promised to refund a pile of money (more than 7 million cruzeiros) to him this week. Elias says: "I am going to invest that money in the financial market."

A few lucky people did even better than that. Two weeks ago, Sao Paulo businessman Inacio Resende Navarro received a credit card worth 44 million cruzeiros from his buyers' association. He was going to use the money to buy

a Volkswagen Apollo. Navarro was prepared to pay an additional 15 million cruzeiros for a Monza, however, and luck smiled on him. On Friday he took delivery of the Monza in exchange for the card from the buyers' association. "I earned 15 million cruzeiros between yesterday and today. I am jumping for joy," Navarro says.

Stuck in Inventory

Ever since the government's deregulation of car prices in September 1991, the pace of price increases had been accelerating because manufacturers were trying to recoup the losses they had suffered during the price freezes. But they forgot that the consumer's purchasing power was as low as his patience was exhausted—and the result was parking lots full of unsold automobiles. Since cars are selling at an extremely slow rate—20,000 cars per month—it would take more than three months to unload that inventory. Moreover, there is an additional note of alarm: the imported automobiles that are arriving in Brazil's ports in batches. Having been deprived of foreign makes for a long time, people are now able to buy BMW's, Mitsubishis, Ladas, Volvos, and several other makes. In some cases, the prices are the same as those of Brazilian cars or less.

"An emergency solution was needed. We were no longer able to sell our cars," says Jose Carlos Pinheiro Neto, manager of GM. Everyone involved in the agreement lost something. The government lost taxes, the automobile manufacturers, dealers, and parts manufacturers lost their profit margins, and the metalworkers lost this year's wage agreement. If consumers start buying cars again, everyone involved may win in the future in the form of more sales, more jobs, and increased tax collections. The dealers estimate that sales will rise to 40,000 units next month, to 50,000 or 60,000 in May, and to 70,000 in October. They are counting on the establishment of new buyers' association groups (prohibited since 1990), that being a detail included in the conference in Brasilia.

Under the terms of the auto agreement, everyone involved agreed to lose a little together in order to gain more down the road when the market recovers. The agreement between economic agents who have discovered that they are partners is not the isolated event that it might appear to be. McDonald's and Bob's, the two largest fast food chains in the country, also reduced their sandwich prices two weeks ago after reaching a similar agreement with their suppliers without any prompting from the government. A week ago, the Big Burger chain did the same by also reducing its sandwich prices. Interested in selling more in a reluctant market, Gessy Lever has just reduced the price of its hygiene and cleaning products below the rate of inflation. Brastemp has chosen to introduce a new line of less refined and cheaper products. And even before the Brasilia agreement, Fiat canceled a 10-percent increase scheduled for the beginning of March.

What we are seeing is a sign, still faint but already detectable, that some businessmen are beginning to adopt a different attitude in response to declining sales. The problem of inflation and recession—and the fight against those two scourges—is slowly being tackled here and there by the private sector. "The agreement by the auto manufacturers was good, and it may very well be imitated in other sectors," says former Minister Mario Henrique Simonsen. It apparently served as an invitation for more people to come to Brasilia and try to reduce their prices. Secretary Dorothea Werneck has already received requests from the textile and microelectronics industries for a conference like that with the auto manufacturers. "The example set by the auto manufacturers was a decisive step," says Minister Jorge Bornhausen of the Secretariat of Government.

Ripple Effect

Anyone imagining that the car pact will whip inflation beginning this week is being overly optimistic. The index prepared by the FIPE [Economic Research Institute Foundation] does not even include new cars in its calculations, and the INPC [National Consumer Price Index] calculated by the IBGE [Brazilian Institute of Geography and Statistics] assigns new car prices a weight of 0.16 percent. The universe of people with enough money to buy a car is also ludicrously small in terms of the total number of Brazilian citizens. The agreement with the auto manufacturers is, however, of the greatest importance. Primarily because that industry is highly complex, uses hundreds of kinds of materials, and—if the price decline is successful—may create a ripple effect that will eventually reach the producers of steel, plastic, and glass.

Only a few months ago, there was an atmosphere of tragedy among businessmen. In October there was talk of hyperinflation and then of a hellish lack of money among the firms during the first three months of 1992. None of that has happened, although the situation is dismal for the great majority of those manufacturing or selling something—and even more dangerous for those who depend on wages for a livelihood. But a slightly more confident air can be noted. Or at least an air of less misgiving. In the opinion of Deputy Roberto Campos, Brazil is in fact already past the darkest phase of the recession. He says: "We have reasons to feel legitimate hope."

Record Reserves

Those reasons are to be found in the government's figures, which are reasonable, and in the beginnings, although timid, of an economic recovery. Taken as a whole, the main issues being tackled by the government seem to be moving in an acceptable direction. We are moving rapidly toward an agreement with the banks to which our foreign debt is owed, and the country has reached agreement with the International Monetary Fund and the Paris Club, which represents government creditors. Thanks to those agreements, Brazil will lay to

rest the image of a deadbeat which it has cultivated with its moratoriums and will enjoy facilities—for example, the opening of lines of credit for imports and exports. In its domestic operations, the Central Bank has not been financing government expenditures. Informally, it is operating like an independent central bank—like those in the First World. International reserves—another indicator of health—set a record during the past two months. The Central Bank is not confirming the figure and is even denying it because of the obligation to maintain secrecy, but there is talk among bankers of a figure that is very high in Brazilian terms and might total $15 billion or even $16 billion.

Lastly, there are various indicators showing that the country may be recovering from its economic prostration even though its flight is still unsteady. Last Wednesday the Sao Paulo State Federation of Industries (Fiesp) reported its index of Sao Paulo industrial activity for February. That index was up 5.5 percent over January. Also in February, the large supermarket chains billed from 10 to 12 percent more than they had in January. The supermarkets increased their orders to suppliers in proportion to their sales. Last year, in case anyone does not remember, most of the supermarkets suffered a drop in sales that bordered on 30 percent. That is a serious sign because supermarket purchases are usually the last thing that housewives cut back on.

Inflation Losing Steam

Month/year	Price Rise (percent)
Sep 91	16.21
Oct 91	25.17
Dec 91	23.25
Jan 92	25.89
Feb 92	21.57
Mar 92*	20.53

Source: FIPE.

* Index for the 30 days ending 15 March.

After some ups and downs, prices began rising more slowly in January.

"We have reached the bottom of the well and are now beginning to see a slight recovery. We are still not sure of permanent growth, but 1992 will certainly be better than 1991," says former Minister Mailson Ferreira da Nobrega. All those figures need to be taken with due caution—the same caution that is necessary, for that matter, in dealing with anything having to do with the Brazilian economy. Inflation is giving ground very slowly from month to month, but it continues to be an unstable atom. What can be noted with certainty is that large firms in the industrial sector are beginning to report favorable results for the first quarter of the year. According to Abiplast, the association that represents the 4,500 firms in the plastics industry, production rose by 5 percent in March, and orders are pointing to a new jump of 10 percent in April. Sadia, which is one of the country's largest packing plants, has reported a 20 percent rise in sales during the first quarter. Some economists explain the stronger industrial showing by the fact that inventories are being replenished. Since trade weakened considerably last year and is still limping in 1992, there were no orders to the factories, and inventories eventually dried up.

Investment Plans

According to that line of reasoning, the signs of growth will cease as soon as the—small—orders come to a halt. Sadia has another interpretation. "It is not just a matter of replenishing inventories. The supermarkets are still operating with very low inventories. What is happening is that the economy has begun to turn around—to become more brisk," says Walter Fontana Filho, the firm's assistant sales manager. Another giant industrial group that is operating at a faster pace is Rhodia. Its sales rose by 10 percent in February. The expectation for March is even better: 12 percent. "Since February there has been a gradual increase in business, and there is nothing to indicate a reversal of that trend," says Carlos Fernando Alves Lima, manager of Rhodia's Chemical Division.

In another area, some firms are beginning to revive plans that have been put aside during the past two years of uncertainty. The Souza Cruz Company, which accounts for 80 percent of all cigarette manufacturing in this country, announced Monday that it would invest $110 million to modernize its machinery. Siemens, which manufactures electrical and electronic equipment, has revived a $35 million investment. Du Pont, which manufactures chemicals, plans to spend $200 million on a new unit in Minas Gerais. Glasurit, the BASF Group's paint manufacturer, is going to invest $45 million in two industrial projects.

Electric energy consumption is rising, tax collections in Sao Paulo have also picked up (an indication of more business), and freight transportation was more active in February. It increased by 14 percent. Francisco Gros, president of the Central Bank, said last week: "The big challenge is to make people believe that things are going to work out all right." According to Gros, people have been growing increasingly pessimistic about Brazil's future in recent years. Gros complains: "We have created a syndrome in which people believe that things are bound to go wrong."

"Fight in Earnest"

Since October, when the ministry headed by Marcilio abandoned the gold and dollar market and announced its political decision to intervene as little as possible in the economy, the country's nerves have gradually calmed down. The firms have probably never enjoyed this much freedom with respect to prices and activity. The best example of this is in fact the agreement by the auto manufacturers. Ever since they appeared in Brazil, they have enjoyed rigid tariff protection. They created a superb industrial establishment but became spoiled by

the lack of competition. In these first few months of 1992, they have been knocked flat on their backs by the disappearance of their customers and their encirclement by imported cars, and they have decided to respond the right way: by paying attention to prices and showing respect for the people who buy their products.

Minister Marcilio's economic policy has presented the auto manufacturers with a problem that they themselves will have to solve. The question under debate—for future years—is how to divide up the Brazilian market. They may in fact return to their crazy price increases after the 90 days covered by the agreement are up. But if they do, they will run the risk of disappearing by the end of the decade under an avalanche of imported cars that are better and cheaper. Judging from Thursday's agreement and the fact that there are plans for investments totaling $5 billion over the next five years, it seems that Brazilian auto manufacturers want to resist. "When it comes to a choice between being expelled from the Brazilian market and fighting for a good position in our country, I have not the slightest doubt. We are going to fight in earnest," says Pacifico Paoli, superintendent of Fiat Automobiles.

Colombia

Disruption in Telephone Service To Continue

PA2404151392 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1256 GMT 24 Apr 92

[Text] Telephone service will not be reestablished within the next 24 hours. Colombians will continue to be absolutely isolated from the rest of the world, the Communications Ministry has confirmed to Caracol. The following is an official report:

It is absolutely impossible to restore communications today. Since 23 April, three U.S. technicians have been working on the problem. Two other U.S. technicians are expected 24 April.

Possibly at 1000 [1500 GMT] in an emergency meeting, the government will decide to bring an emergency plant from the United States in a Hercules plane from the U.S. Government, which will temporarily handle 20 percent of local and international calls.

In addition, Caracol has just learned that the director of the largest telephone plant—which controls 70 percent of local calls and 20 percent of international calls—and seven of his closest collaborators have been questioned and will be sued for terrorism and sabotage. The Ministry of Communications has accused the director of this plant and seven engineers of destroying the software [preceding word in English] programs of the system that controlled 70 percent of local calls and 20 percent of international calls, in addition to stealing the hard disk. The plants are operating, but they do not have programs to run them.

There were two programs operating; one to handle local and international telephone service, which was stolen; and another backup program, which was damaged and destroyed. Because of this, the engineers have been questioned and will be sued by the Attorney General's Office.

In summary, during the next 24 hours, it will be impossible to reestablish local and international telephone service. It is very likely that a power plant will arrive from the United States in the country on 25 April to handle 20 percent of the telephone traffic. Three foreign technicians are working on this problem, while two others are expected 24 April, which means the 48-hour interruption in telecommunications will be extended into next week.

Labor Minister Posada Interviewed on Strikes

PA2404170692 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 Apr 92

[Telephone interview with Dr. Francisco Posada de la Pena, Labor and Social Security minister, in Santa Fe de Bogota, by Caracol Director Dario Arizmendi and unidentified station reporter—live]

[Text] [Arizmendi] At this moment, a high-level meeting is taking place—headed by Telecom President Dr. Francisco Javier Navarro and Communications Minister Vargas—to study a contingency plan to deal with the strike in the country's telecommunication system, which has been going on for 48 hours. Firing 30 union leaders and the losses and damage amounting to many millions has made no difference. Due to this strike, two airplanes serving the Panama-Colombia route nearly crashed on 23 April. In addition, the strike has prevented about 2.4 million domestic telephone calls and 273,000 long-distance calls. Each day, 160,000 international calls are made, averaging five minutes each. Colombians call the United States the most, accounting for 65 percent of the traffic. Venezuela receives 8 percent of the calls; Spain 6 percent. Most calls are placed from 1900 to 2100, because a family rate is charged.

Businesses use the telephone service from 1030 to 1200 and 1530 to 1700. Fax machines are used the most from 1200 to 1400, due to favorable rates at those hours. When special rates are in effect with discounts up to 50 percent, like for Christmas and Holy Week, the number of calls is even greater. Who do you think places the most calls in Colombia?

[Reporter] I do not know; journalists?

[Arizmendi] People from Antioquia and Cali place the most calls.

[Reporter] You mean by department?

[Arizmendi] Who places the most calls between people from Antioquia and Cali? The people from Cali. I have

another curious piece of information: Most calls take place between San Andres and Muzo—the Boyaca emerald area.

[Reporter] I wonder why.

[Arizmendi] We can only imagine. Barranquilla and Pereira have high levels of domestic and especially international telephone traffic. Colombians spend 1.5 billion pesos daily on Fax and other telecommunications services. On 23 April, the labor minister authorized the dismissal of 30 union leaders, fined the Telecom union 3.2584 million pesos, and requested cancellation of Telecom union's legal status after the strike, which has been in effect for nearly 48 hours and was declared illegal. Dr. Francisco Posada de la Pena, good morning. How many more resolutions will be issued authorizing more dismissals?

[Posada] Good morning, Dario. I want to clarify that the authorization for dismissals is of a general nature. Each work suspension, retirement, disciplinary sanction, or dismissal does not require case-by-case approval. Once the strike was declared illegal, the same day the strike started, the law says the employer is free to fire those workers participating in the strike. Dismissing workers with union protection requires a legal order; in other words, the ministry's intervention ends once the strike is declared illegal. It is up to the Telecom president and directors to exert whatever disciplinary sanctions necessary.

[Arizmendi] Does this mean the Telecom president, in the next few hours, will fire all workers who fail to go to work in accordance with the statements made to Caracol on 23 April by Communications Minister Mauricio Vargas?

[Posada] Indeed. You have summarized the declaration of illegality.

[Reporter] Mr. Minister, does this declaration of illegality suspend union privileges?

[Posada] Of course, which the law clearly states.

[Arizmendi] Mr. Minister, does your ministry intend to intervene or act as a mediator in the conflict to try to find a formula of understanding to reestablish telecommunications in Colombia?

[Posada] Dario, this strike does not really have the characteristics of a labor strike. Wages are not an issue, there is no list of demands on the negotiating table, and workers are not demanding additional social benefits. The strikers simply do not want Congress to legislate or discuss a draft law. Congress has this constitutional duty as part of the Legislative Branch. It seems to be that behind all this, we have a coup against our institutions that is paralyzing the country's communications.

[Arizmendi] Mr. Minister, does this mean, the Labor Ministry does not have anything else to do regarding the Telecom workers' strike?

[Posada] Of course. This is a situation that must be handled by the communications minister and Telecom president. Naturally, we keep in touch, because—as government officials—we work in harmony. The Labor Ministry has done all it could; this situation is not a labor conflict.

[Reporter] Nevertheless, sources have said your role in this particular instance would be that of mediator. What kind of mediation will this be?

[Posada] There can be no mediation, because the union has not made a request or proposal for a salary raise or to establish additional labor benefits. As a government official, I fully support the communications minister's position.

[Arizmendi] Mr. Minister, what is the situation at Banco Cafetero and Banco Popular?

[Posada] A labor conflict does indeed exist there. A list of requests is being discussed, although an agreement has not been reached between the negotiating commissions of these two banks and the respective trade unions. The ministry has been talking with both sides, trying to bring them together, but it has been impossible. In Colombia, there is freedom to negotiate with trade unions, a freedom established in the Constitution. This situation is a typical labor situation, although the workers have sometimes resorted to illegal means. In such instances, the ministry has declared the staggered work stoppages illegal. The officials of these two banks have also adopted disciplinary actions, because such stoppages are illegal.

[Arizmendi] As you are speaking about penalties, do you think people believe in dismissals and revoking the legal status of trade unions? We ask this because labor arrangements always end with the reinstatement of workers, which is virtually the leading point in any negotiations between employers and trade unions.

[Posada] What you say is possible. I wish to make a clarification regarding revoking the trade union's legal status, which is the first time we will enforce Law 50 of 1990, which states that the labor court will rule on revoking the trade union's legal status, in this particular instance Telecom. Previously, the revocation was carried out by the administrative authorities. In developing international agreements, however, Law 50 of 1990 gave this power to the labor court.

[Arizmendi] How long does it take the labor court to make a decision?

[Posada] Law 50 establishes a brief, summary procedure. I do not have the law available at this time and I do not remember the deadlines. It is a very brief, summary procedure. The labor court should decide on such a case in one month.

[Reporter] There is a concern in Antioquia regarding personnel (?involvement) requests filed by several enterprises established in this sector of the country, such as Sofasa and Simesa. What can you tell us about this?

[Posada] These requests are being studied by the labor authorities. We have to make a number of economic studies on these requests.

[Reporter] Dr. Posada, one doubt lingers, however: As the labor court is the one that now rules on the revocation or cancellation of the trade union's legal status, is it possible to reinstate it through administrative channels? In other words, to reinstate dismissed workers because it is a labor-related issue?

[Posada] No, revocation of the legal status is quite different than the penalties against workers participating in a strike that has been declared illegal. The labor court deals with the cancellation of the legal status or the dissolution of the trade union, but the dismissal or reinstatement of workers is the exclusive responsibility of the enterprise's board of directors.

Paraguay

Relations With Fujimori Government To Continue

PY2404133692 Asuncion HOY in Spanish
24 Apr 92 p 20

[Excerpt] When explaining the government's position on the political situation in Peru, Foreign Minister Alexis Frutos Vaesken said: "For the time being we will continue to maintain relations with the Peruvian Government presided over by Alberto Fujimori, and we will observe the course of events in Peru."

He added that our country is following the same path as the other Rio Group governments, and it fully supports the decision adopted during the extraordinary meeting of the OAS foreign ministers. Vaesken stated that Peru will continue to be separated from the Rio Group until the institutional situation is clarified.

Despite the collective decisions, each country is free to decide what bilateral relations it will maintain with the Peruvian Government within this uncertain political situation. Thus, Paraguay is following the steps of the United States and Argentina, which, from the first, decided to continue relations with Fujimori and not with the president who was elected by the Peruvian Congress, which was dissolved by the chief of state of Japanese origin. [passage omitted]

Finance Minister Outlines Economic Situation

PY2304221792 Asuncion PATRIA in Spanish
21 Apr 92 p 8

[Text] After meeting with President Andres Rodriguez on 20 April, Finance Minister Juan Jose Diaz Perez outlined the country's economic and financial situation in a declaration.

The minister reviewed the nation's status in his declaration, mentioning the government's main objectives since it took power in 1989.

He pointed out that after three years in power, the democratically elected government has been able to meet its objectives—with promising prospects for the future—through establishment of a free monetary exchange system; a prudent, orderly monetary system; a prudent price and utility rate adjustment; and free foreign trade.

Diaz Perez referred to a visit by an IMF delegation and some of the adjustments recommended by its members.

He said they suggested a tax, price, and utility rate increase for the public sector, a reduction in expenditures, a substantial increase in the Central Bank's primary credit, and the implementation of all adjustments in order to concentrate their effects in the second half of this year.

Measures That Were Not Accepted

He added that the measures recommended by the IMF experts were not approved by the government, which bases its stand on other estimates. He mentioned that the implementation of one-year measures over a period of six months would imply a shock treatment that is not in keeping with the government's gradual application of changes in the economic policy and structure.

An increase in taxes, prices, utility rates, and the rediscount [subsidized agricultural credits] rate would have a negative effect on the annual inflation rate.

The government believes that proper implementation of all its policies will contribute to solving possible fiscal breakdowns, without transferring the cost of the adjustments to the poorest sectors.

Finance Minister's Report

1) Since 1989, the government's economic program has included the following primary objectives:

a) To stabilize the economy by eliminating fiscal and monetary distortions; b) to normalize relations with international financial agencies in order to reestablish the flow of foreign financing; and c) to promote structural changes within the state mechanism and the regulations that govern the activities of economic agents in order to lay the groundwork for a new sustained period of economic development. In light of a small domestic market; a deterioration in the driving forces behind local development, such as limited farming areas; and investment abroad for hydroelectric energy production, this development is feasible only through broad integration into the increasingly diversified international market.

The Main Facts

2) After three years in power the government has been able to implement the following concrete and coherent policies and decisions:

a) Establishment of a free monetary exchange system through which the Central Bank can counteract sudden speculation.

b) Organization of the state's monetary and financial system as a whole, including the deregulation of interest rates and the elimination of subsidized credits by adjusting the rediscount rate.

c) Adjusting prices and utility rates, increasing the efficiency of tax collection, and controlling public expenditures have made it possible, since 1989, to turn the rising deficit registered in the 1980's into significant, solid surpluses.

d) Free foreign trade and a progressive elimination of tariffs to allow internal competition—facts that will be significant for the future in view of integration into the Common Market of the South through the Asuncion Treaty.

e) Negotiation and permanent contacts with foreign financial agencies, especially multilateral credit and cooperation organizations, banks, the government's creditors, and private investment groups.

The Government Strategy

3. Evidence of the results of the government strategy are:

a) In 1988, the per capita income of the Paraguayan people was, in real terms, approximately 15 percent below the income registered in 1981, which shows the crisis that the country was experiencing. Policies implemented since 1989 have reversed the constant deterioration of income.

b) In 1991, inflation was curbed at 11.8 percent, the lowest in the region.

c) In December 1991, the Paraguayan Central Bank's net international reserves were $978 million, the highest level in the country's economic history.

d) In 1989, the balance of the foreign debt was $2.1 billion, representing over 50 percent of the gross domestic product [GDP]. This year it decreased to about $1.6 billion, less than 30 percent of the GDP. This achievement—which meant freeing future generations from the burden of past debts—was made possible without affecting our ability to obtain new resources for development.

Fiscal and Monetary Adjustment

e) The fiscal and monetary adjustment that was implemented and the efforts to reduce the foreign debt balance did not represent—as it did in other countries of the region—any greater tax pressures or significant social costs, such as reduction of real salary and employment. Furthermore, all of the government's policies and short-term measures are aimed at improving the transformations that are being implemented in order to revitalize production and improve the employment, income, and well-being of the Paraguayan people.

4. The information we are providing is aimed at clarifying routine events that may have been magnified by the public. The signing of agreements or a letter of intent with the IMF is only necessary when that institution is asked to provide financial support to resolve urgent problems in the balance of payments. This is not the case with Paraguay since it has never had to ask for loans to meet urgent international obligations because of its solid international reserves.

5. The IMF—of which Paraguay has been a member since it was founded in 1945—was created by a UN monetary and financial conference with the aim of supervision, consultation, and cooperation on international monetary matters.

6. One of the IMF's main instruments is the mechanism of annual consultations through technical missions, which are aimed at evaluating the economic policy decisions of member countries and their possible effects on the rest of the world.

7. Recently, as part of the consultation mechanism, the economic officials were visited by an IMF technical mission that reviewed and evaluated the country's economic situation and the government's fiscal and monetary program for 1992.

8. As is publicly known, the government's fiscal program is contained in Law 115/91, which approved the programs of the National General Budget for the 1992 fiscal year; while the monetary program is based on the decisions of the Paraguayan Central Bank's board of directors and on the coordinating measures adopted by the national Economic Team and regulated by Decrees 6019/90 and 9340/91.

The Adjustments That Were Recommended

9. The IMF technicians recommended the following adjustments to both programs:

a) Increase taxes, prices, and utility rates and reduce spending in order to obtain an additional fiscal surplus.

b) Make Central Bank primary credits substantially more expensive through an increase in the rediscount rate, which is used by the bank to finance private production activities, in order to discourage the use of these resources.

c) Implement all these corrections in such a way as to concentrate their effects during the second half of this year.

10. The recommendations made by IMF technicians that followed a logic of adjusting the country's internal variables from the viewpoint of the foreign balance of payments were not accepted by the government based on the following arguments:

a) The concentration of measures in a single semester would constitute a shock treatment that is not in accordance with the government policy of a gradual implementation of economic measures and structural reforms.

Tax Increases

c) [as published] The increase in taxes, prices, public utility rates, and rediscount rates would have a negative impact on the annual inflation rate.

d) The government believes that full implementation of its economic policies such as those in the areas of tax reform, rationalization of public spending, and privatization will contribute—in the short term—to resolving eventual fiscal and monetary imbalances that persist without transferring the cost of such corrections to the poorest sectors of society.

11. IMF cooperation with Paraguay has grown stronger following the IMF mission's recent visit. In effect, Paraguayan authorities will define what steps to take to solve the problem of its arrears with Paris Club creditors and the IMF is ready to assist the country with their own methods, which range from "a shadow program" to a stand-by agreement, if necessary.

12. The fact that the government has ratified its economic policy goals and its monetary and fiscal programs for 1992 does not imply a softening in the strictness and discipline with which these very sensitive matters must be handled in order to ensure our internal stability and to maintain the confidence of economic agents. On the contrary, the government's attitude has reinforced its commitment to broaden our fiscal reorganization and to continue implementing healthy monetary, foreign exchange, and credit policies.

13. Public expenditure controllers in both the central government and decentralized institutions have been informed that obligations and payments of expenditures in their institutions are subject to income and availability of genuine resources. To this end, the Finance Ministry will coordinate, design, and implement the cash flow for all institutions. The National Comptroller General's office will also exert all of its prerogatives to control strict compliance with the tax law and regulations on the state's financial administration. The Technical Planning Secretariat will control compliance with priorities in matters of public investment as well as the implementation of major social programs.

Prudence in the Economic Policy

14. The monetary, credit, and money exchange policies will continue to be handled with the same prudence that is currently being observed, giving priority to the objectives of maintaining current stability, promoting investment production, and developing export.

15. In order to solve the delay in the foreign debt payment—which was successfully reduced after a payment was made to a reduced group of creditors—the government will resort to the most convenient alternatives for the country in accordance with the changing circumstances of an international dialogue; this is the policy followed by the current administration.

16. Immediate implementation of these actions and progress in meeting the objectives of the government's economic policy depend greatly on understanding and national unity with respect to the program that is being implemented. The government hopes that the nation's interests have been appropriately taken care of since it began to implement its policies and under the current situation.

Once again we urge all fellow countrymen and enterprises to promote development for the sake of the Paraguayan people's social well-being.

IMF Objects to 1992 Budget Expenditures

PY2304195492 Asuncion ULTIMA HORA in Spanish 20 Apr 92 p 12

[Text] The IMF reported in a brief memorandum that the fiscal deficit could reach 4 percent of the gross domestic product [GDP] by the end of the year. However, Finance Ministry sources have reported that the deficit could not possibly reach that percentage because under budgetary law the National Treasury cannot spend more than it collects.

The fiscal deficit could reach 4 percent of the GDP this year if tax collection problems prevail and subsidies on cotton and other unpredicted expenses are incurred. This report was released by the IMF in a brief memorandum forwarded to economic authorities.

During the first quarter of this year, the Finance Ministry had a tremendous deficit that undermines the possibility of closing the year with a positive balance, as predicted.

In 1991, the National Treasury achieved a surplus of 1.5 percent of the GDP, equivalent to 114.026 billion guaranies, with some difficulty. This year's deficit, should this negative trend continue, will be approximately 400 billion guaranies because an economic growth of approximately 10 trillion guaranies is expected. The official estimate is that a surplus of 1 percent will be obtained.

In addition to the tax collection problems in covering the budgeted expenditures for this year, there is added the enormous effort made by the National Treasury to pay the foreign commitments contracted by the State Merchant Fleet (Flomeres), approximately $8 million, and the subsidy on cotton of approximately 94.5 billion guaranies (73.5 billion in cash and 21 billion in tax exemptions). During the first three months of the year the regular income was lower than what was projected in the General Budget.

Regarding revenues, the Finance Ministry has estimated tax collections for 1992 at 48 percent.

The point more strongly emphasized by the IMF delegation, which was in our country recently for the verification and negotiation of adjustments that the government should make in the economic area, was the budget's political aspects. They said that expenditures were

charged to certain areas with no apparent need and without the appropriate technical care because in many cases the origin of resources used to cover these expenditures has not been specified.

This abnormality, as reported, was due to lawmakers who increased expenditures in an exaggerated manner for political reasons, without reducing the number of public employees, as suggested by the Public Personnel Directorate.

The General Budget for 1992 expenditures increased 35 percent compared with that approved in 1991. This percentage was objected to by the IMF technicians.

Moreover, according to a reliable official source, the president of the Republic will not deliver any message concerning the failure of negotiations with the IMF and on the government's intentions to regularize the pending and unpaid foreign debt.

Peru

U.S. Aircraft on 'Antidrug Mission' Downed

PA2504051992 Lima Radio Programas del Peru Network in Spanish 0445 GMT 25 Apr 92

[Text] A U.S. Air Force C-130 aircraft was downed by a Peruvian Air Force aircraft in Talara. This is a last-minute report. The C-130 transport plane was reportedly on an antidrug mission, according to Pentagon spokesman Pete Williams.

We repeat: A U.S. Air Force C-130 aircraft was downed by a Peruvian Air Force aircraft in Talara. The C-130 transport plane was reportedly on an antidrug mission, according to Pentagon spokesman Pete Williams.

Fujimori Comments

PA2604025492 Lima Radio Programas del Peru Network in Spanish 0011 GMT 26 Apr 92

[Text] President Alberto Fujimori stated that the commission appointed to investigate the incident in Talara has established the fact that the U.S. plane was not showing an identifying flag. Fujimori added that given this situation, the FAP [Peruvian Air Force] command had decided to force the plane to land at the Talara air base.

[Begin Fujimori recording] I sent a commission to investigate the incident at the site of the event. During the investigation, Foreign Relations Minister Oscar de la Puente, Defense Minister General Victor Malca, and General Arnaldo Verlarde, commander general of the Peruvian Air Force, were present. According to the preliminary reports and to a FAP communique, it appears the plane was not identified because it did not show a flag. The plane was issued all the warnings generally made when an unidentified plane, without flight authorization, crosses into a nation's airspace. These warnings included radio communications, and visual signals made by our own planes, as well as warning shots. When there was no response, a more serious warning was authorized by the command to make the plane land at the Talara air base. [end recording]

Meanwhile, President Fujimori lamented the death of a U.S. pilot and denied he had talked with President George Bush.

[Begin recording] [Fujimori] There has been no communication with President Bush, but we certainly regret the death of one of the crew members. This incident is being investigated by the Peruvian, as well as the U.S. Government. There were two injured among the crew members, who were given immediate medical attention before returning to Panama. The rest of the crew members also departed for Panama on 25 April.

[Unidentified reporter] Has this incident caused some misunderstanding with the U.S. Government?

[Fujimori] No, it has not caused misunderstanding. This incident is strictly an Air Force matter. There are very strict regulations in these matters. [end recording]

Military: Plane Off Course

PA2504150092 Hamburg DPA in Spanish 1419 GMT 25 Apr 92

[Text] Lima, 25 Apr (DPA)—A spokesman for the Peruvian Armed Forces has reported in Lima that the U.S. Drug Enforcement Administration (DEA) plane that was attacked by Peruvian fighter planes on 24 April had flown more than 500 miles from its route and was forced to land near the city of Talara, in the northern part of the country.

Peruvian Air Force Colonel Jorge Barboza stated that the C-130 military plane was flying more than 500 miles off course when it was intercepted by Peruvian war planes.

According to Barboza, the pilot of the U.S. plane ignored several warnings to land, forcing one of the fighter planes to machine gun the aircraft.

Previously, Pete Williams, spokesman for the U.S. Defense Department, said that one of the crew members of the aircraft had disappeared, while two others were wounded. Williams concluded that after the incident, which occurred 96 km from the coast of Peru, the pilot decided to abort his mission and land.

Communique Issued

PA2504204092 Hamburg DPA in Spanish 1946 GMT 25 Apr 92

[Text] Lima, 25 Apr (DPA)—The Peruvian Air Force (FAP) issued a communique on 25 April confirming that it forced a plane, which did not heed warnings to identify itself, to land by shooting at it. This plane was a U.S. military aircraft.

According to the FAP communique, the C-130 plane failed to identify itself and did not present a flight plan, so it was intercepted by Peruvian aircraft and ordered to land at the petroleum port of Talara.

"After exhausting all forms of warning—radio warnings, visual signals, and a warning burst of fire," the aircraft was "shot at in unimportant areas." After sustaining damage in the fuselage, the plane proceeded to land, the communique added.

The text of the communique confirms that one of the crew members is missing and two others were injured and taken to hospitals in Talara.

The U.S. Air Force plane, not a DEA plane as had been initially reported, was carrying 16 passengers who remain "with the proper authorities" at the Talara Base, while the investigations are being conducted.

So far, it has not been fully explained why the U.S. plane was in Peruvian airspace without authorization.

Fujimori Attends Military Events in Las Palmas

PA2504033392 Lima Global de Television Network in Spanish 0100 GMT 25 Apr 92

[Text] Peruvian President Alberto Fujimori emphasized on 24 April the objectives of the schedule drafted to restore constitutionality in the country. He said that it is time to hold a sensible dialogue to develop the nation. He made the announcement at Las Palmas Air Base, where he attended a ceremony marking the 50th anniversary of the General Directorate of Aerial Photography of the FAP [Peruvian Air Force]. He then attended a ceremony to mark the occasion of military engineers day.

President Alberto Fujimori arrived at Las Palmas Air Base at 1100 [1600 GMT 24 April]. He was greeted by Defense Minister Army General Victor Malca Villanueva and by FAP Commander Air Force Gen. Arnaldo Velarde Ramirez. The ceremony marked the 50th anniversary of the FAP's General Directorate of Aerial Photography. Mayor Miguel Angel Medina Ramos, head of the General Directorate, explained that the organization renders specialized technical support, making a significant contribution to national development.

In his speech, the president not only praised the FAP's work but referred to his national emergency and reconstruction government and said we are at the threshold of the future.

[Begin Fujimori recording] We are at the threshold of the future, looking ahead. Our time has come and we must know how to respond as a nation to meet the demands of the future. As a government leader, I am stimulated by the demonstrations, not only of the maturity of our people and our Armed Forces, but by an awareness of the future, which I think is the basis of this maturity. Our problems will not disappear that easily. If we strengthen ourselves as a people, committed to the big objectives we have pledged to fulfill, the difficulties will be small and insignificant. The schedule that the national emergency and reconstruction government proposed to the country to restore authentic constitutionality—this time authentic and overall—is the beginning of a new time of dialogue and sense, which I hope is shared by all sectors of the country that are truly identified with Peru's highest interests. [end recording]

At the end of the ceremony, Fujimori, accompanied by members of the FAP High Command, toured the photographic exhibition marking the occasion and even had a toast with Maria Reich, who was decorated for her work in Nazca.

Later, the president arrived at the Chorrillos Military School, where he was the guest of honor at the 112th anniversary of Army military engineers day. During a toast, the president mentioned the work this branch of the Army carries out in the interior.

[Begin Fujimori recording] Military engineering plays a preponderant role in the particularly difficult moments the country is living through. The routes that it opens up throughout the length and breadth of our territory are routes of progress. These acts are appreciated and recognized as a fruitful and productive task by the country's unsung heroes. My government is committed to that endeavor. We are carrying out that task. I have ordered the acquisition of machinery worth millions of dollars. They will be dedicated exclusively to rehabilitate those 2,000 km the general just mentioned. We will soon receive approximately $12 million worth of machinery, obtained through Japanese cooperation, to repair roads. I have ordered that $18 million be allocated to acquire machinery for the engineering battalion so it can make certain routes more accessible. [end recording]

Meets With Top Army Commanders

PA2704022692 Lima Radio Programas del Peru Network in Spanish 0034 GMT 27 Apr 92

[Text] President Alberto Fujimori met for four hours with high-ranking Army commanders at the Army's Chorrillos Military Academy. The topic of their conversation was not disclosed.

The chief of state was greeted by the public, who expressed their appreciation and support, as the presidential retinue rode by in the streets of Barranco, Miraflores, Zurquillos, San Isidro, and Linsey districts, as well as in downtown Lima.

Fujimori Warns Congress Against Issuing Laws

PA2604023192 Lima Radio Programas de Peru Network in Spanish 2309 GMT 25 Apr 92

[Text] President Alberto Fujimori stated the lawmakers of the dissolved Congress can meet freely and without restrictions but warned they may not issue any laws because they would be usurping the functions that fall solely within the purview of the national emergency and reconstruction government.

Decree Penalizes Usurpers

PY2404215892 Lima EL PERUANO in Spanish 23 Apr 92 p 106447

[Decree law issued by Peruvian Government in Lima on 22 April]

[Text] Decree Law 25444

The President of the Republic
Heading the Emergency and National Reconstruction Government
With the Approval of the Council of Ministers
Issues the Following Decree Law:

"Article 1. Article 361 of the Penal Code approved by Legislative Decree No. 635 will be hereby modified as follows:

"Article 361—The individual, without title or appointment, who usurps a public post, or empowers himself to give military or police orders; the individual who was dismissed or suspended and continues discharging his post; and the individual who discharges duties different from those he was assigned will be imprisoned for a term from four to seven years, and will be disqualified for a period of one to two years in keeping with Article 36, Sections 1 and 2.

"If the individual involved in the crime offers resistance or confronts the police, he will be imprisoned for five to eight years."

Article 2. The current decree law will go into force the day after its publication in the official gazette EL PERUANO.

Issued at the Government House in Lima on 22 April 1992.

Alberto Fujimori Fujimori—Constitutional President of the Republic
Oscar de la Puente Raygada—President of the Council of Ministers and Housing and Construction Minister
Augusto Blacker Miller—Foreign Minister
Carlos Bolona Behr—Economy and Finance Minister
Fernando Vega Santa Gadea—Justice Minister
Absalon Vasquez Villanueva—Agriculture Minister
Jaime Yoshiyama Tanaka—Energy and Mines Minister
Alfredo Ross Antezana—Transportation and Communications Minister
Victor Malca Villanueva—Defense Minister
Juan Briones Davila—Interior Minister
Victor Paredes Guerra—Health Minister
Victor Joy Way Rojas—Industry, Foreign Trade, Tourism, and Integration Minister
Augusto Antonioli Vasquez—Labor and Social Promotion Minister
Jaime Sobero Taira—Fisheries Minister

Hereby:

I order the publication and enforcement of this decree.

Lima, on 22 April 1992,

[Signed] Alberto Fujimori, constitutional president of the Republic
Oscar de la Puente Raygada, Council of Ministers president and housing and construction minister
Fernando Vega Santa Gadea, justice minister

Institutional Reform Initiated

PA2604192992 Lima Frecuencia 2 Satellite Television in Spanish 1400 GMT 26 Apr 92

[Text] Twenty-one days after abolishing the Constitution and bolstering support from the people, the Armed Forces, and the National Police, it appears that President Alberto Fujimori is now preparing to further strengthen his position by implementing institutional reforms.

In this respect, President Fujimori has recently issued Decree No. 25444 intended to prevent the rehiring of former public officials who have been dismissed from public office. Any person who decides to ignore this new decree will be subject to prison terms ranging from four to seven years. In addition to the corresponding [word indistinct].

For example, it will be very difficult for former Comptroller General Luz Aurea Saenz to continue in her duties from her home or from her former office, since Dr. Erminia Bravo has already been appointed the new comptroller general.

Likewise, dismissed Supreme Court magistrates, some of whom participated in Vice President Maximo San Roman's swearing in ceremony as the new president, will hardly initiate steps to reclaim their former offices knowing that they will be subject to arrest at any time.

San Roman on Status of New Parallel Government

PA2704042192 Lima Panamericana Television Network in Spanish 0125 GMT 27 Apr 92

[Interview with Maximo San Roman, constitutional president, in his residence in Lima by unidentified reporter, Mirko Lauer of SI magazine, and Humberto Jara of EXPRESO daily at the Panamericana studio in Lima on the "Panorama" program—live]

[Text] [Reporter] Here are Mirko Lauer and Humberto Jara to begin our discussion with Engineer San Roman. Lauer has the first question.

[Lauer] Good evening, President [title as heard] San Roman.

[San Roman] Good evening, Mr. Lauer. How are you?

[Lauer] These past few days, several people, including former President Alan Garcia, said one of the fundamental reasons—if not the fundamental reason—for the coup was the failure or limits of Economy and Finance Minister Carlos Bolona's economic plan. What do you think of Carlos Bolona's plan?

[San Roman] Thank you for this opportunity. I think the coup was not only caused by the failure of the economic plan, owing to the recessive process we are noticing, but also by the failure to support the social sector. The social compensation program has not been developed. There has been a great deal of neglect in developing an adequate managerial plan to administer this sector. The only thing international organizations asked the former constitutional president was to name someone with his total confidence, who also had a proven managerial ability so resources would be allocated for the proper purposes.

I think those main factors, namely, the tremendous recession in the productive apparatus and lack of support to the social sector, chiefly the neediest sectors, worsened the situation and caused a decline in Mr. Fujimori's prestige. For that reason, he had to adopt an obviously demagogic measure, which is not adjusted to the truth. He staged this irrational coup, and thereby regrettably estranged our country from the international community.

[Reporter] Before Mr. Jara poses his question, I would like to ask you what makes you think support for Engineer Fujimori has declined? We just broadcast in "Pananorama" polls that show the support for Fujimori has consolidated.

[San Roman] I was referring to Fujimori's popularity before he took this step. As you know, the scandals caused by the lack of morals in the Government Palace, chiefly denounced by Mrs. Susana Fujimori, and other actions that clearly caused a totally negative reaction, prompted him to espouse the causes of morality and the war on drug trafficking and terrorism, although these matters were always in his hands.

I was referring to that aspect. The polls take people by surprise. I am really at a loss to explain why the people are so confused. They are not being told the truth.

[Jara] Good evening, Mr. San Roman.

[San Roman] Good evening. How do you do?

[Jara] The question I want to pose was perhaps left pending since last week. You said you were going to enter the Presidential Palace through the main gate and were going to install a government. The week has shown you have not achieved that objective. You had to go home. The message you are beginning to send, I regret to say, sounds an awful lot like demagoguery. How do you feel about that?

[San Roman] We are going to continue with the same cause of telling our people the truth. In this respect, we will not take any measure that may force or cause futile clashes among the people. We will continue telling people the truth. You can be assured that when we enter through the main gate, we will establish a truly productive government. It will be a government of national reconstruction and national unity, because we must move the country forward with the effort of all, and the work of all. That is the....

[Jara, interrupting] Pardon me, but how can one reconcile your statement about a single government of national unity with your views that you are now ready to hold a dialogue with Mr. Fujimori, if he accepts some of the points you are proposing? From an attitude where there was no possibility of dialogue, you have accepted a possible negotiation. How can one reconcile that with what you just said?

[San Roman] We have heeded and are heeding the appeals of several organizations, especially the OAS, the Catholic Church, the Peace Council, and other groups like ILD [Liberty and Democracy Institute]. Dialogue constitutes the best way to understand each other. We are ready to hold a dialogue and summoned a national dialogue for 30 April. Delegates from all of the country's organizations will be attending. As for Mr. Fujimori's dialogue, I said before I was ready to hold a dialogue as long as Fujimori meets one condition, namely, to remove that Rasputin from his side. I am referring to Vladimiro Montesinos [unofficial national security adviser to Fujimori] and his group.

[Lauer] Perhaps one of the statements by Fujimori that clearly shows he is on the defensive is the one he made a few days ago. He said he was not going to persecute lawmakers and members of your government, as long as they do not legislate. I take this to mean that Fujimori does not just have some uneasiness regarding the capacity of the alternative government to legislate, but also could be an indication of some laws that may be in the works. After all, those rallying around you are lawmakers. What will be the first law your executive or legislative branch will issue?

[San Roman] The legislative chambers have many important laws on the agenda, such as the law on political parties. We have discussed delegating to the constitutional executive branch the power to legislate all the amendments the dictatorship wants to enact outside a dialogue and without including the participation of all citizens. In this respect, we are convinced Peru obviously needs a change. It also needs to fight in a real and pragmatic manner corruption, terrorism, and drug trafficking.

[Jara] On the matter of the unity of your stance, how is one to account for the problems regarding differences beginning to occur? I mean, the first point in your speech at the Bar Association that caused some unease among some prominent politicians who have been supporting you is your harsh criticism of traditional politics. In addition, some members of the Congress, such as Senator Edmundo Murrovarda, have made an interesting proposal. They said: Let us accept that people do not agree with what the Congress has been doing, and hold talks based on that. There is no such strong unity in your stance, as you said. How is one to explain that to the people in a honest and clear manner?

[San Roman] Unity remains strong. The purpose of recovering as soon as possible our country's democratic institutional life remains monolithic. In that respect, no political party, no member of any political party can disagree with that. Ours is, of course, a political group of democratic parties where there will be differing opinions. That is the nature of democracy. Democracy does not necessarily mean that everybody thinks alike. I think this answers your question and concern. There are people who do not necessarily have the same viewpoint on specific issues. When it is a matter of discussing the reinstatement of democracy, and one asks them if they prefer democracy or dictatorship, all of them agree they prefer democracy.

[Reporter] Lauer has the last question.

[Lauer] How much progress do you think you have made this week? Unlike Mr. Fujimori, your stance has to be dynamic. You have to produce progress to a public who are not totally favorable of you right now. In what areas do you think your movement has made the most progress?

[San Roman] It is very important and necessary to note we have made a great deal of progress. We received the support of many large groups. I would say we have received the support of a great many of them from all over the country. They are demanding the reinstatement of democracy and freedom—total freedom. That is the most sacred thing for human beings. In that respect, we are heeding an appeal from different sectors to give a demonstration of strength so on 5 May we will have a big rally. We are heeding a demand of the people. They are asking us to stage a demonstration. By remaining calm and waiting for people to change their mind, we cannot present our movement. Be assured we will not just fill up San Martin Square, but will also do much more than that if necessary.

Discusses Economic Plan

PA2704001792 Lima Frecuencia 2 Satellite Television in Spanish 1400 GMT 26 Apr 92

[Interview with "constitutional" president Maximo San Roman by Jose Siesa in San Roman's residence in Lima and Luis Iberico at the Frecuencia 2 Satelite studio in Lima—live]

[Text] [Iberico] Before we proceed with the interview, I would like to read the headline of a dispatch datelined in Seville, Spain, citing OAS Secretary General Joao Baena Soares as saying the OAS does not plan to recognize San Roman. The dispatch added: No OAS member has shown any intention of recognizing Maximo San Roman, Soares stated on 25 April. This could be a first question to Maximo San Roman. Jose Siesa, proceed with the interview.

[Siesa] As part of this program of national opinion, we are here at 1009 in the home of Maximo San Roman. Good morning.

[San Roman] Good morning, and thank you for coming to my house.

[Siesa] You heard the dispatch from the OAS. How do you feel about it?

[San Roman] This is really nothing new. International law recognizes the president or dictator, who controls the territory. In this respect, several governments have informed us that recognition will be delayed as we do not control the territory.

[Siesa] What countries currently support you?

[San Roman] As the dictatorship of Alberto Fujimori was rejected, we obviously have the support of all the democratic countries of the world.

[Siesa] What are these countries?

[San Roman] Spain, France, and the American countries that spoke out against the Fujimori dictatorship.

[Siesa] What do you think of the timetable proposed by Fujimori on 21 April?

[San Roman] It is totally null, because Mr. Fujimori unfortunately begins with a referendum, a contrivance used by all dictatorships to legitimize their mandate. This must be unacceptable to the people, because referenda unfortunately only pose questions that seek to make the people who are motivated by the euphoria or the confusion they are experiencing. [sentence as heard] I see that the people are really confused. They are not being told the real situation and, most of all, the truth.

[Siesa] You had a different opinion of President Alberto Fujimori until 4 April. How has it changed? Why?

[San Roman] My opinion has not changed, but I have been loyal to an oath and respectful to a democratic regime. I could not disagree in the news media with my partner or colleague because we had sworn together to defend the Constitution. One washes one's dirty laundry at home. My views have always been radically opposed to his, but we have always disagreed at his house, after he won the first round, or at the Presidential Palace. Unfortunately, a man with a record that has been disastrous for the country is influential. I mean the ventriloquist: Mr. Vladimiro Montesinos [unofficial national security adviser to Fujimori]. He carefully planned this whole strategy to take power. That was my chief difference with Fujimori. I told Fujimori on many occasions: He defends and is linked to drug traffickers and he also reduces the number of police positions and officers. He, an Army captain, commands our entire Armed Forces. He moves them like chess pawns. That cannot be and the people must know that. That is the origin of our tremendous differences, but I could not say that in public. When Mr. Fujimori betrayed an oath of loyalty to the Constitution, I had the obligation to tell the people the truth. The people are confused. They do not know who runs things. We are behind....[pauses] A Rasputin is behind Mr. Fujimori.

[Siesa] You are telling me you knew all along about the presence of the man you mentioned in the government. My question is: Why is it now you are disagreeing with Fujimori?

[San Roman] For the same reason I mentioned, sir. We had a shaky democracy. It was a democracy that was not totally stable. Mr. Fujimori always refused talks with all the state branches, the national Congress, the judicial branch, the Comptroller General's Office, the Central Bank, and many of his ministers. How can Mr. Fujimori say he is truly democratic when he unilaterally interrupted the dialogue?

[Siesa] I would like to return to the studios to show a clip where one can see the support you once gave President Fujimori. [Video shows file footage of San Roman making statements in favor of Fujimori]

[Iberico] You once referred to Fujimori's government as the best one in the history of Peru. How do you now see Mr. Fujimori, who you once also described as the most honest president? The public wants to know who the members of your cabinet will be. Perhaps, you can give us a scoop in this newscast. Go ahead, Mr. San Roman.

[San Roman] Thank you very much for giving me the opportunity to see that report. You saw a man who is honest and loyal to the end defending Mr. Fujimori, even though he kept me on the sidelines from the day he took office, when he hosted a dinner for the foreign representatives. When I arrived at the Presidential Palace, he told me through his foreign minister that I could not enter. That is loyalty and service. When Fujimori was the president of a constitutional government, I never tried to attack him. We have had differences. When he told me to vote in favor of Alan Garcia, [as heard] I said: I will not; you vote for him. When he would tell me to support a certain stance by the American Popular Revolutionary Alliance, I would say: You may support it, but I will not.

We have always had our differences, but never in public. I have been loyal until the last moment. It became impossible for me, however to remain loyal when he made a disloyal action. I am loyal to the people and the democratic regime. You can be certain the moment we enter the Presidential Palace through the main gate, everybody will know my cabinet. Before that time, it is impossible to reveal it.

[Siesa] The entire country is very worried about the economic situation in the nation. We all have some fears. Tell me, as you have served the government for a long time in different positions, do you have an economic plan ready for implementation?

[San Roman] Yes, sir.

[Siesa] What is it?

[San Roman] I already stated it. The symbols of our economic program are work and the reincorporation of the people into a domestic productive life. I do not know if you have seen me vehemently asserting that the domestic reincorporation of our people is more important than reincorporation into the international community. I said it was more important to return confidence to the people and give them tools with which to work. I do not have to invent these things because I have put them into practice. We must help and develop the people. We must not punish success. In our country, we are always demeaning each other.

[Siesa] To be honest, your words sound very nice.

[San Roman] I have put them into practice....

[Siesa, interrupting] We would like the specifics of your program, point by point. Have you designed it already?

[San Roman] It is totally designed.

[Siesa] Tell us about it.

[San Roman] Democracy must begin at the grass-roots level. We must practice democracy in the most remote villages, hamlets, towns, and districts. The state presence must be felt there. The people have the obligation to give priority, identify, open bids on, oversee, and execute programs. They will develop them. We cannot imagine a paternalistic or very generous state. It should not be like a man who hands out money. That way, we would be instilling a beggar's mentality in the people. We must tell the people: You have dignity. You can solve your problems with your own hands, and that is what we are here for. We will give you a hand, our shoulders, if need be. We will push the car in the same direction. We should not be pushing the car off the cliff as Fujimori is doing. He is unfortunately pushing us off the cliff.

Charges 'Political Persecution'

PA2504202392 Paris AFP in Spanish 1922 GMT 25 Apr 92

[Text] Lima, 25 Apr (AFP)—Maximo San Roman, the parallel president of Peru appointed by the dissolved Congress, said on 25 April that the government unleashed political persecution against him and members of the Congress when it issued a decree that establishes prison sentences for those "who usurp" public offices.

In a letter to OAS Secretary General Joao Baena Soares, San Roman reminds him that President Fujimori—who staged a self-inflicted coup on 5 April—was planning to adopt "repressive" measures after the OAS mission left the country.

"As soon as the OAS members left the country, Decree No. 25444 was issued. This is irrefutable evidence of Fujimori's repressive measures and confirms the warning that was announced while the mission was visiting Lima," San Roman pointed out.

The decree establishes that "he who is without title or appointment is usurping a public post or the power to issue military or political orders, or he who has been

dismissed from his post but continues to carry it out, or he who is exercising functions that correspond to a post different from the one he holds, will be punished with a sentence of from four to seven years."

San Roman then said that "he who usurps power has no right to try to put anyone in jail," adding that the measure is also intended to suppress congressmen who continue to meet away from the congressional building.

Meanwhile, Luis Bedoya Reyes, leader of the conservative Popular Christian Party, pointed out that "the same measure will be applied to him (Fujimori) once democracy is restored."

San Roman explained to the OAS secretary general that the official gazette in which the aforementioned measures are announced was not put on sale until after the OAS commission boarded the plane after concluding a three-day visit in which the delegation observed the situation that has resulted from the coup.

The political analysts also comment that the legal measure is directed against "Constitutional President Maximo San Roman recognized by the dissolved Congress" after it declared vacant the presidency of Alberto Fujimori.

"Dictators act the same everywhere," San Roman added in his letter.

San Roman Calls For National Dialogue 30 Apr

PA2604030592 Lima Radio Programas del Peru Network in Spanish 2349 GMT 25 Apr 92

[Text] Maximo San Roman, the president appointed by the dissolved national Congress, has summoned the civilian sector, political groups, and representative institutions to participate in a dialogue for democracy and national reconciliation. San Roman said the dialogue will begin on 30 April.

[Begin San Roman recording] Messrs. reporters, dear friends, I have summoned you to call publicly for a dialogue for national reconciliation and democracy. The main reason behind it is to heed the concern and suggestion by the OAS members, the Catholic Church, the Council for Peace, and other institutions, such as the ILD [Liberty and Democracy Institute], and others.

The proposal is intended to lead to a frank, sincere, and open dialogue to lay all the cards on the table and speak with the truth, and nothing but the truth. The chief objectives of this national summons, made to our country's entire organized sector, are: to demonstrate that organized civilian society supports democracy and to demonstrate that all forces can hold a dialogue in a civilized manner. This dialogue will strive for basic agreements toward progress and changes that Peru urgently needs. [end recording]

San Roman proposed the church act as the mediator of a possible dialogue between his government and President Alberto Fujimori.

[Begin recording] [San Roman, in progress]...the views of the people and their institutions.

[Unidentified reporter] Including Alberto Fujimori?

[San Roman] Mr. Fujimori has never been known to engage in dialogue. If he accepts the dialogue, we will wait for him. If those are the conditions that arise, we will certainly participate in the talks for the sake of the country. We are not clinging to one position. The interest of the country is to solve its problems as soon as possible. I think the church will play a very important role. I call on the church to play that very important role as mediator, in case favorable conditions are fostered for a dialogue with Mr. Fujimori. I am particularly confident of that because it represents the morals and ethics of a whole people and a whole religion. [end recording]

Vows 'Struggle to the End'

PA2704131592 Mexico City NOTIMEX in Spanish 1121 GMT 27 Apr 92

[Text] Madrid, 27 Apr (NOTIMEX)—A Spanish newspaper reports on 27 April that Maximo San Roman, the proclaimed constitutional president of Peru, has said he will "struggle to the end, even if it costs my life," to resist his country's de facto regime.

In an interview published by DIARIO 16 San Roman said: "I am a democrat, a man of principles, I will not hide," referring to the decree issued by the Peruvian regime that those who usurp public offices will be incarcerated.

The leader of the opposition confirmed that he will endorse a national dialogue with all sectors to be held on 30 April and a massive gathering on 5 May "of all Peruvians who want democracy."

He warned that his policy will be "peaceful resistance, up to a point," to be recognized as constitutional president.

San Roman, who struggles against Peruvian President Alberto Fujimori's regime, told DIARIO 16 that the fight against drug trafficking and terrorism should be carried out through development and the people's participation, even in the most remote parts of the country.

Congressmen Support Dialogue

PA2504042492 Lima Global de Television Network in Spanish 0100 GMT 25 Apr 92

[Text] Maximo San Roman, sworn in as constitutional president by the dissolved Congress, in the next few hours will propose a dialogue. This was announced at his residence, where spokesmen for the former legislators met.

The participants evaluated the government's decision to punish dismissed government officials who continue exercising public functions.

Legislative spokesmen who met this morning at San Roman's residence drafted a document that will be approved in the next few hours. The purpose of this document is to propose a peace dialogue parallel to the one called by the president of the Republic. That was the main point of the meeting that began after the visit by Luis Bedoya Reyes, secretary general of the Popular Christian Party.

Carlos Garcia, Ricardo Betch, Jose Barba, Aurelio Lore de Mola, Lourdes Flores, Enrique Guerci, and Jose Linares Gallo, among others, attended the meeting. Those present were concerned about finding a formula to gradually obtain real recognition both in Peru and abroad. Various positions were expressed in that regard, as well as on the schedule presented by President Fujimori.

[Begin unidentified speaker recording] We do not believe this schedule has the legitimacy or provides the guarantees to allow, first of all, participation in the proposed dialogue, and second the presumption that elections will be held. The Liberty Movement has clearly expressed its position in an official statement, in which we have reiterated to President Maximo San Roman our determination to participate in the dialogue he will call with all the political and labor forces in our country. [end recording]

Political Parties Face Challenges in Elections

PA2604203792 Lima Frecuencia 2 Satellite Television in Spanish 1400 GMT 26 Apr 92

[Text] With his agenda already being implemented, Alberto Fujimori has virtually been able to take on the political parties. If the political parties continue to disregard popular support for the Fujimori government, and continue to challenge his authority, the only result will be that they will be kept out of the forthcoming municipal elections.

At this time, political parties should be choosing their candidates for the forthcoming municipal elections scheduled to take place on 8 November. Candidate registration has been scheduled to take place during the first two weeks of August.

If the political parties decide to abstain from choosing a candidate, observers believe that the independent parties will win by a landslide. Observers also believe that, most suredly, the biggest winner will be the Change 90 Movement, which already supports President Fujimori.

It should not be forgotten that Luis Caceres Velazquez, FENATRACA [National Front of Workers and Peasants] candidate for the position of Lima mayor, is running unopposed and so far there are no likely candidates to oppose him. If the traditional political parties decide not to run, Caceres' election could be a preview of what will take place in February 1992 when the Peruvian people are scheduled to elect new congressional representatives.

Wisely, Popular Christian Party [PPC] strategists have recommended that its highest and most visible members, especially its mayors, keep a low profile to avoid creating resentment among the Peruvian people who are now supporting Fujimori.

Blacker Withdraws From Cabinet; Bolona To Stay

PA2404214392 Madrid EFE in Spanish 2122 GMT 24 Apr 92

[Text] Lima, 24 Apr (EFE)—Peruvian President Alberto Fujimori on 24 April faced the first crisis of his administration since he headed an institutional coup on 5 April. He decided to replace at least two of his ministers, an official source told EFE.

The source, who did not want to be identified, confirmed "the withdrawal" of Foreign Minister Augusto Blacker and Industry Minister Victor Joy Way. Economy Minister Carlos Bolona, who is considered to be a "key man" in the regime, and who had reportedly resigned on 19 April, will remain in the government.

Fujimori Comments

PA2604131792 Lima Radio Programas del Peru Network in Spanish 1247 GMT 26 Apr 92

[Text] President Alberto Fujimori will announce the names of the new education and housing ministers next week. He has not disclosed any names in advance.

[Begin recording] [Fujimori] Minister Blacker Miller, by the way, has done an extraordinary job at the Foreign Ministry. It must not be forgotten that, during his brief tenure, we attended historic meetings in Quito and Ilo; so many other things were accomplished because of Foreign Minister Blacker's decisive support. He will continue to support me directly or indirectly in this OAS issue and will hold important posts within the government. I am very pleased with the work he has done.

I also must take this opportunity to praise Minister Joy Way [former minister of industry, commerce, tourism, and integration]. I believe that at this difficult time he has done a good job, an excellent job at his ministry. I am now asking him to promote certain aspects of relations with the Far East, an area with which he is very well acquainted.

[Unidentified reporter] [Words indistinct] Mr. President, the appointment of the remaining ministers?

[Fujimori] Next week. [end recording]

Joy Way Refuses Comment

PA2504051092 Lima Global de Television Network in Spanish 0100 GMT 25 Apr 92

[Text] Victor Joy Way Rojas, outgoing industry, commerce, tourism, and integration minister, abstained on 24 April from explaining the reason he resigned from his post. He said he gave a letter to President Alberto Fujimori, and said Fujimori is the one who should report it. He denied alleged differences with Minister Carlos Bolona as the reason for his resignation.

[Begin recording] [Joy Way] There is a note, which I have given to the president, and he will advise the public about its contents.

[Unidentified Reporter] Why can't you announce it?

[Joy Way] Huh?

[Reporter] Can you tell us why you resigned?

[Joy Way] I have explained it in my letter of resignation.

[Reporter] Some claim you offered economic support to the industrial sector and that the economy minister opposed that position. Isn't that the reason for your resignation?

[Joy Way] No, no, no, absolutely not.

[Reporter] Was it because you had differences with Minister Bolona, who remains in the economy ministry?

[Joy Way] No, no, no. [end recording]

New Ministers Sworn In

PA2504010792 Lima Radio Programas del Peru Network in Spanish 0032 GMT 25 Apr 92

[Text] On the evening of 24 April, Oscar De La Puente Raygada and Jorge Camet were sworn in, respectively, as foreign minister and minister of industry, tourism, commerce, and integration. De La Puente and Camet replace outgoing ministers Augusto Blacker Miller and Victor Joy Way.

Economy and Finance Minister Carlos Bolona was present at the swearing-in ceremony. The education and housing ministers have yet to be designated.

Maria Drago Appointed New Comptroller General

PA2504215692 Hamburg DPA in Spanish 2104 GMT 25 Apr 92

[Text] Lima, 25 Apr (DPA)—Lawyer Maria Drago was appointed as the new comptroller general of Peru on 25 April. She replaces Luz Saenz, who was fired by President Alberto Fujimori's de facto government.

Drago, who attained fame in the past few months as the "ad hoc" prosecutor in the trial against former President Alan Garcia, was sworn in on 25 April.

Prior to the institutional coup, Saenz was considered part of an alleged plot to destabilize the government and, thus, she was one of the first officials to be fired after the Peruvian democratic order was disrupted.

On 24 April, the "National Emergency and Reconstruction Government" formed a five-member commission to propose reforms to the Comptroller's Office.

Fujimori Assesses Drago

PA2604033192 Lima Radio Programas del Peru Network in Spanish 2355 GMT 25 Apr 92

[Text] President Alberto Fujimori recognized the extensive work capabilities of the newly appointed Comptroller General Maria Herminia Drago Correa. Meanwhile, Fujimori reiterated that his government continues working on the restructuring of the state institutions.

[Begin Fujimori recording] Herminia Drago has demonstrated to have a very large work capacity, she is a very serious person. I believe she will contribute new dynamics to the Comptroller General's Office. Meanwhile, the government continues working on the restructuring and the organization of the different public institutions, including those belonging to the central government as well as the autonomous institutions. These institutions are being assessed slowly, we are not in a hurry. [end recording]

State of Emergency Extended in 5 Departments

PA2504190392 Paris AFP in Spanish 1826 GMT 25 Apr 92

[Text] Lima, 25 Apr (AFP)—It was officially announced on 25 April that the Peruvian Government has extended for 60 days the state of emergency in a number of provinces in five of the country's 24 departments to facilitate "operations against terrorism" in those areas.

The special measure, announced in the official gazette EL PERUANO, affects two provinces in Pasco Department and five in Junin Department, all of them in the central Andean Region.

Three provinces are affected in Huancavelica Department in the southeastern Andean Region, while three provinces are included in Ayacucho Department, bastion of the "armed struggle." In Puno Department, which borders with Bolivia and Ayuacucho, the emergency measure will be implemented in two provinces.

Meanwhile, the police report that during the night of 24-25 April, an alleged seditious command attacked the Electoral Registrar's Office in Huaraz, Anchash Department, 400 km northeast of Lima, and stole approximately 2,000 blank electoral identification cards, duplicate cards, rubber stamps, and other supplies.

The authorities believe that this theft of documents is to prevent the forthcoming municipal elections slated for 8

November. The subversive groups have done this on various occasions since the armed struggle began in Ayacucho 11 years ago.

Air Force Seizes Control of Huallaga Airports

PA2404200092 Paris AFP in Spanish 1813 GMT 24 Apr 92

[Text] Lima, 24 Apr (AFP)— It was confirmed here today that the Peruvian Air Force seized control of flights and airports in the vast Huallaga region, including the Santa Lucia base where the DEA (the U.S. antidrug agency) operates. This is a region that drug traffickers converted into the largest coca emporium in the world.

An official Air Force communique disclosed that the task began on 15 April. At the same time, government sources conceded that these measures could be the beginning of a large-scale military operation to increase Peru's struggle against drug trafficking following the 5 April self-inflicted coup.

According to the sources, an effort also is being made to counter a "certain uneasiness" on the part of the United States over the lack of energy shown so far by Peruvian authorities in the repression of cocaine mafias.

After the self-inflicted coup, President Alberto Fujimori established a national emergency and reconstruction government that dissolved the Congress temporarily in order to amend the Constitution, reorganize public branches, and attack corruption, drug trafficking, and terrorism.

The communique added that the airports of Pucallpa, Tingo Maria, Tarapoto, San Ramon, and the Santa Lucia antidrug air base in northeast Peru, are already under Air Force control. Several landing strips in other areas where coca is sown are also under Air Force control.

According to experts, drug traffickers promoted illegal coca plantations in approximately 300,000 hectares in Peru, where 60 percent of the world's coca, the raw material used in cocaine production, is obtained.

Peruvian police reported this week that an airborne operation in Churuyacu, near Uchiza, 680 km to the northeast, resulted in the seizure of 415 kg of cocaine paste, the destruction of a secret laboratory, and the arrest of three Peruvian drug traffickers who were trying to ship the drug to Colombia so that it could be processed with hydrochlorate.

According to studies, the extensive coca-producing region is also infested by armed rebels of the Maoist Shining Path and the Tupac Amaru Revolutionary Movement (MRTA), followers of Che Guevara's doctrines, who sell their protection to the drug lords in exchange for weapons and money.

An official report states that there are 356 registered and 40 unregistered airports in Peru. However, there are dozens of uncontrolled clandestine landing strips in the Amazon jungle that have been built by the traffickers in order to transport drugs by plane, usually to Colombia.

According to the police, the guerrillas charge the traffickers between $10,000 and $14,000 for each landing to load drugs, in addition to the bribes they usually distribute among the different authorities. Specialists in this matter have estimated that Shining Path alone gets between $30 million and $60 million per year for protecting the clandestine landing strips, which seem to be the main target of this new stage in the fight against drugs.

The military communique announced a security measure which states that, as of this moment, "all civilian airplanes, national or foreign, are subject to being intercepted, and the crews must heed the orders they receive through radio frequencies during flight."

Other control measures reiterate the demand that airplane pilots carry the appropriate legal documents, present flight plans and passenger and cargo lists, and fly through "established flight routes." The airplanes must also use licensed crews. In addition, planes and crews must be registered with the Air Force authorities and be checked, together with passengers and cargo.

Human Rights Commission Meets Minister Blacker

PA2404135592 Lima Global de Television Network in Spanish 0100 GMT 24 Apr 92

[Text] Members of the OAS Inter-American Human Rights Commission met with Foreign Minister Augusto Blacker Miller on 23 April. The group advised Blacker of the regrettable distortions made by the Venezuelan press concerning statements made by Commission President Marco Tulio Bruni Celli. The hemispheric delegation currently is carrying out extensive activity in Lima.

Edith Marquez, executive secretary of the Inter-American Human Rights Commission, and Luis Jimenez, in charge of Peruvian affairs, received in their office at the Pardo Hotel the members of the National Human Rights Coordinating Board, headed by Pilar Col. At this meeting, Pilar Col presented a briefing of the current Peruvian situation. Half an hour later they met with Pilar Nores de Garcia, who accompanied by Jorge del Castillo and attorney Nicolas de Pieiro Leyva, filed a formal suit against the government for persecution of former President Alan Garcia.

[Begin recording] [Jorge del Castillo, American Popular Revolutionary Alliance, APRA, Party leader] A formal charge has been presented by virtue of the fact that the doors to justice in Peru have been closed. According to the Constitution, we have the right to resort to international law. [end recording]

At 1030 this morning, the mission members arrived at the Foreign Ministry where they were greeted by Foreign Minister Augusto Blacker Miller. As they were received

in the presence of reporters, the foreign minister read a press bulletin, which was totally rejected by the OAS officials, that had created a political incident.

[Begin recording] [Blacker Miller] Dr. Bruni Celli made some statements in Caracas against Peru on 20 April. We will inform you of these statements. We spoke to Mr. Baena on this subject and told him that in order to avoid any problems, it was preferable to exempt [words indistinct] Mr. Bruni Celli. The OAS and the commission agreed. [end recording]

After an hour-long private meeting, both parties cleared up the incident, which turned out to be nothing but a misunderstanding.

[Begin recording] [Blacker Miller] We have talked to Dr. Marquez and Dr. Jimenez and we have cleared up the misunderstanding that had troubled the Peruvian Government. I am quite pleased about this. We have a written note from the commission, which was publicized on 23 April regarding this topic. The commission will continue its work and visits in accordance with its schedule. [end recording]

The commission members also visited APRA Party headquarters, met with Remigio Morales Bermudez, and visited the home of Alan Garcia, where they received the testimony of Mrs. Pilar Nores and her daughters regarding the events of 5 April. Finally, the commission members, without any police security, went to the prisons in the capital. At 1500 in the afternoon, the commission members visited the Miguel Castro Castro penal center located in Cantogrande, where they met with prison director Gabriel Cajaguanca and representatives of the prisoners.

Visits Terrorist Prison

PA2404155092 Lima Global de Television Network in Spanish 0100 GMT 24 Apr 92

[Text] A delegation of the OAS Human Rights Commission visited the Miguel Castro Castro prison for over three hours on the afternoon of 23 April. After the visit, Executive Secretary Edith Marquez said the OAS spoke with representatives of the prisoners accused of terrorism. She said the dialogue was important. She also said efforts are underway to hold talks with the victims of terrorism.

[Begin recording] [Marquez] I think it has been a very important and productive visit and has given the Executive Secretariat of the Inter-American Human Rights Commission the opportunity to visit cell blocks 4B and 2A where Shining Path and MRTA [Tupac Amaru Revolutionary Movement] members are imprisoned.

[Reporter] Did you talk with the representatives?

[Marquez] We spoke with all the representatives and the prison authorities. There was an excellent exchange of information with the authorities.

[Reporter] [Words indistinct] the human rights situation inside?

[Marquez] It is important because the human rights situation must also be supervised in the prisons and [words indistinct].

[Reporter] [Question indistinct]

[Marquez] The truth is that during a three-hour visit we had the opportunity to talk to people and to receive some documents. We will analyze these documents. As members of the Executive Secretariat, we will report to the members of the commission who might take a visit.

[Reporter] [Words indistinct] the police or the Army cannot enter the cell block where the Shining Path members are held. Have you talked about this so that the judicial authorities can enter?

[Marquez] We understand an agreement was signed between the authorities and the prisoners to permit visits inside the blocks without any problem.

[Reporter] Does respect for human rights mean that the prisoners can carry out political activities inside the prison?

[Marquez] That is a topic which we will not issue an opinion.

[Reporter] You have visited the area where those accused of terrorism are held. Did you have police guards?

[Marquez] No, we entered alone because the work of the Inter-American Human Rights Commission is confidential and we wanted to talk directly with the prisoners without the presence of any authorities.

[Reporter] Are you going to meet with the victims of subversion?

[Marquez] We are organizing such meetings on 24 April.

[Reporter] Do you plan to meet with former President Alan Garcia, who is in hiding?

[Marquez] We do not yet have anything definite. We spoke with Mrs. Garcia on 23 April.

[Reporter] When will you have your final report and how will you send it to the Peruvian authorities?

[Marquez] This small delegation of the commission will be returning to Washington on 24 April. We will report to the members of the commission what we observed in Peru. [end recording]

'Terrorists' Attack Lima Restaurant, Homes

PA2604034592 Lima Radio Programas del Peru Network in Spanish 0304 GMT 26 Apr 92

[Report by Alberto Ramirez]

Munoz, Jorge Gallegos Guevara, Juan Vergara Gotelli, Juan Cabello Vargas, Raul Nato Pino, Luis Gazzolo Villata, Mariano Torres Carrasco, Ramiro Garrido Chaparro, Victor Guevara de los Rios, Jose Maria Veramendi Serra, Julio Pachas Avalo, Oscar Gamarra Cabeza, Angel Osorio Bernuy, Cesar San Martin Castro, Jose Esquerre Caceres, Alejandro Rodriguez Medrano, and Jose Tello Soliz.

In the Callao Superior Court the judges included: Victor Raul Haya de la Torre Barr, Otto Egusquiza Roca, Hector Rojas Maravi, Gaston Molina Huaman, Martir Santos Pena, Daniel Peirano Sanchez, Diodoro Antonio Gonzalez Rios, and Alejandro Rodriguez Mendoza.

Article 2. As of today, the Superior Court prosecutors from Lima who are listed below are dismissed and their powers and prerogatives canceled.

Lima Superior Court Prosecutors included: Luis Matta Pena, Daniel Caballero Cisneros, Adolfo Mendez Mendez, Lidia Vega Salas de Garrido, Edmundo Amoretti Mendoza (assistant), Luzmila Huaman Bringas.

Article 3. As of today, judges from the judicial districts of Lima and Callao who are listed below are dismissed and their powers and prerogatives canceled.

Lima Judges included: Rafael Menacho Vega, Raul Lorenzi Goycochea, Oscar Leon Sagastegui, Luis Molero Miranda, Rosa Sotelo Palomino, Benjamin Enriquez Colfer, Raul Quezada Munante, Eduardo Contreras Morosini, Luis Sanchez Gonzalez, Jose Antonio Ostolaza Nano, Hernan Saturno Vergara, Ruben Mansilla San Miguel, Nancy Avila Leon, Jose Espinoza Cordova, Ida Rodriguez Rodriguez, Marcos Ibazeta Marino, Luz Ines Tello Valcarcel, Cesar Emilio Mendoza Rodriguez, Alvaro Suarez Milla, Cesar Cruz Saco, Manuel Lora Almeida, Romulo Torres Ventocilla, Pablo Matias Huarcaya, Hildebrando Roca Oliveros, Julio Milla Aguilar, Malzon Urbina La Torre, Herminio Vigo Zevallos, Jose Fernandez Galvez, Orlando Carrera Conti, Adger Julca Luna, Arturo Zapata Carbajal, Cesar Manrique Zegarra, Luz E. Jauregui Basombrio, Jorge Ramirez Velasco, Raul Rosales Mora, Andres Paredes Laura, Jose M. Soller Rodriguez, Julio Magan Galvez, Julio Martinez Azurza, Pablo Bravo Cardenas, Otilia Vargas Gonzalez, Manuel Carranza Paniagua, Rita Meza Wualde, Jose Antonio Sandoval Pelaes, Carlos Iturrizaga Berrocal, Nancy Avila de Tambini, and Josega Izaga Pellegrini.

Callao Judges included: Gustavo Lopez Mejia, Felix Salzar Huapaya, Dilo Huaman Quintanilla, Baltazar Otarola Benavides, Miguel Angel Fernandez Torres, and Ricardo Chumbez Paz.

Article 4. As of today, the Lima and Callao provincial prosecutors listed below are dismissed and their powers and prerogatives canceled.

Lima Provincial Prosecutors include: Rosa Angelica Sedo Mendiola de Prieto, Maria Eva Astete Carbajal, Luisa Elizabeth Aguilar Olano, Socorro Ponce Dios, Avelino Trifon Guillen Jauregui, Virgina Alcalde Pinedo (assistant), Victor Rosell Espino, Roxana del Pilar Torres Vega (assistant), Cesar del Pino Aguilar, Luciano Alpiste La Rosa, Javier Villavicencio Alfaro, Pablo Livia Robles, Silvio Maximo Crespo Holguin, Cesar Marcelo Girao Zegarra, Luisa Ivonne Garcia Gatti, Manuel Carlos Garcia Marquez, Carlos Eloy Velazquez Martinez, Nelly Malarin Caceres, Ludgarda Tacuri Garcia, Luis Bayeto Acosta, Leoncio Paredes Caceres, Juan Leon Gamarra, and Flor de Maria Vega Zapata.

Callao Provincial Prosecutors included: Aurelio Julio Pun Amat.

Article 5. As of today, the Lima Judicial District Juvenile Court judges listed below are dismissed and their powers and prerogatives canceled.

Lima Judicial District Juvenile Court judges include: Ana Luzmila Espinoza Sanchez, Rosario Donayre Mavilla, Haydee Quispe Fernandez, Elena Salguero Fernandez, Pablo Mario Solis Bravo, Guillermo Gestro Montellanos, Eduardo Meneses Delgado, Medesta Gonzalez Contreras, Luis Capunay Chavez, and Carmen Torres Valdivia.

Article 6. An Evaluating Commission made up of three members of the Supreme Court appointed with the agreement of all court members is hereby created to carry out—within 90 days—an investigation and sanction process for wrongful conduct by Supreme Court and Superior Court judges, regular court judges, justices of the peace, court secretaries, and court reporters who are still in their posts throughout the national territory. The commission is empowered to request background information on their conduct, merits, lack of merits, juridical achievements, and any other information available from appropriate organizations of the judicial branch, the Prosecutors Office, the Judicial Defense Council, the Justice General Directorate, the Lawyers Association, the School of Law deans, and the Peruvian Press Association.

The Evaluating Commission is also empowered to ask different state organizations for the information necessary to judge possible signs of wealth exhibited by the accused, the spouse, and, in some cases, his relatives.

The National Superintendency of Tax Administration is obligated to supply information on the income tax declarations made by people under investigation before and after their judicial function.

The Justice Department's National Office of Public Registry will issue certificates of registered properties and assets.

The Immigration and Naturalization Directorate of the Interior Ministry's General Government Directorate will report on the movements of people under investigation.

The Transportation and Communications Ministry's General Directorate of Surface Circulation will report on vehicles owned by the people under investigation.

A report by the above-mentioned government organizations that no properties or assets are registered can be disproved by other means that can prove without a doubt the existence of such properties or assets.

Article 7. Any demonstration of ostentatious living and a high standard of living is considered to be a sign of wealth.

Signs of wealth can be seen in properties, yachts, airplanes, vehicles, jewelry, expensive art, race horses, frequent trips abroad, and membership in social and sports clubs.

Article 8. The Evaluating Commission will inform the individual under investigation of the charges against him for his alleged wrongdoings and the apparent disparity between his income and signs of his wealth. The commission will then meet with the individual, who can present the necessary proof for his defense.

After the evaluation is made, the Evaluating Commission will write its final report, which will be submitted to all the Supreme Court members, who will decide whether to confirm or dismiss the individual from his position.

Article 9. The Evaluating Commission is also empowered to regulate all actions necessary to fulfill its task.

Article 10. Once the commission's investigation and sanction process is over, the next investigation process on the conduct of high court judges, regular court judges, court secretaries, and court reporters will be carried out in accordance with the Judicial Branch Organic Law and other applicable regulations.

Article 11. This decree law will go into affect on the day of its publication in the official gazette, EL PERUANO.

Issued at the Government House in Lima on 23 April 1992

Alberto Fujimori Fujimori—Constitutional President of the Republic
Oscar de la Puente Raygada—President of the Council of Ministers, Housing and Construction Minister
Augusto Blacker Miller—Foreign Minister
Victor Malca Villanueva—Defense Minister
Carlos Bolona Behr—Economy and Finance Minister
Juan Briones Davila—Interior Minister
Fernando Vega Santa Gadea—Justice Minister
Victor Paredes Guerra—Health Minister
Abasalon Vasquez Villanueva—Agriculture Minister
Victor Joy Way Rojas—Industry, Foreign Trade, Tourism, and Integration Minister
Jaime Yoshiyama Tanaka—Energy and Mines Minister
Augusto Antonioli Vasquez—Labor and Social Promotion Minister
Alfredo Ross Antezana—Transportation and Communications Minister
Jaime Sobero Taira—Fisheries Minister

Hereby:

I order the publication and enforcement of this decree.

Lima, 23 April 1992

Alberto Fujimori Fujimori, constitutional president of the Republic
Oscar de la Puente Raygada, president of the Council of Ministers and housing and construction minister
Fernando Vega Santa Gadea, justice minister

New Judges Appointed

PA2604023692 Lima Radio Programas del Peru Network in Spanish 2319 GMT 25 Apr 92

[Text] The government appointed 12 provisional members of the Supreme Court of Justice, after 134 magistrates were dismissed in Lima and Callao. The names of the new officials are Raul Mendoza, Jose Jeri Duran, Pedro Iberico Mas, Saripio Montesdioca, Fernando Bayon Landa, Elsie Landa Sapater, Luis Ortiz Bernardini, Jorge Buendia Gutierrez, Luis Felipe Almenar, David Ruelas Terraza, Manuel Sanchez Palacio Paiba, and Blanca Nerida Colan Maguino.

The national emergency and reconstruction government, through Decree Law 25418, appointed Maria Herminia Drago Correa as the new comptroller general. President Alberto Fujimori, Council of Ministers President Oscar de la Puente, and Justice Minister Fernando Vegua Santa Gadea signed the aforementioned decree.

[Begin unidentified speaker recording, in progress]... president of the Republic, therefore, the national emergency and reconstruction government, with the approval of the Council of Ministers, issued the following Decree Law:

Single article: Mrs. Maria Herminia Drago Correa is appointed, as of 25 April, to the post of comptroller general of the Republic, based on the terms of the Constitution and Decree Law 25418, and the laws on which the national emergency and reconstruction government are based.

Issued at the Presidential Palace in Lima on 25 April 1992.

Signed by Alberto Fujimori, constitutional president of the Republic; Oscar de la Puente Raygada, president of the Council of Ministers and foreign minister; and Justice Minister Fernando Vega Santa Gadea. [end recording]

Army Requests U.S. Report on Drug Corruption

PY2404231792 Lima EXPRESO in Spanish 15 Apr 92 p A9

[Text] The Armed Forces Joint Command has asked Defense Minister General Victor Malca to officially ask the U.S. Embassy for a report on the alleged involvement of 120 officers in drug trafficking in order to sanction the officers involved. Here is the note:

Lima, 14 Apr 1992
Note No. 0597-P-CCFFAA
Army General Defense Minister

I herewith address you to express the following:

1. Several media sources have reported that Bernard Aronson, U.S. assistant secretary for Inter-American Affairs, reportedly has a document with the names and ranks of 120 Armed Forces officers allegedly involved in drug trafficking.

2. Such a report seriously damages the image and prestige of our Armed Forces, therefore I would greatly appreciate if you would officially request this information on this alleged involvement from the U.S. Embassy in Peru so that sanctions can be carried out on the responsible ones, or otherwise, the embassy can refute the existence of such a report.

3. Minister, I reiterate to you that the essential purpose of the Armed Forces Command is to seriously punish those crimes perpetrated by Armed Forces personnel because they harm the institutional image and distort the honorable mission the nation has bestowed on us.

I herewith express to you my highest regards.

God protect you.

O-540299534-B
Nicolas de Bari Hermoza Rios—Army general, Chief of the Armed Forces Joint Command

SODE Party May Participate in Dialogue

PA2604041192 Lima Radio Programas del Peru Network in Spanish 2300 GMT 25 Apr 92

[Text] Manuel Moreyra Loredo, president of the Solidarity and Democracy Movement [SODE] Party, did not rule out participating in the dialogue proposed by President Alberto Fujimori, although he would not acknowledge Fujimori as head of state. Moreyra Loredo added that if the situation returned to normal, SODE would participate in the upcoming municipal elections slated for 8 November.

[Begin recording] [Moreyra Loredo] This is a very difficult situation. We continue to reject the coup d'etat, therefore, we cannot accept the timetable proposed by Mr. Fujimori. Specifically, we cannot accept a plebiscite to ratify the coup d'etat.

[Unidentified reporter] Will SODE participate in the national dialogue proposed by Fujimori?

[Moreyra Loredo] Please, allow me to finish what I was saying. The slated municipal elections belong to a previous mandate, therefore, from our point of view, if the situation returns to normal, we would participate in the municipal elections. Nevertheless, we have our doubts that the situation will return to normal by then. Regarding the national dialogue, we certainly understand the need to find a solution to the current situation, but, that solution obviously cannot be the ratification of the coup d'etat. Therefore, from that point of view we could not participate in the dialogue summoned by the de facto president. Nevertheless, we would be willing to participate in a national dialogue to find flexible solutions to the problem. [end recording]

Minister Mantilla Charged With Embezzlement

PY2704024292 Lima EL COMERCIO in Spanish 15 Apr 92 p A14

[Text] Former Interior Minister Agustin Mantilla Campos, several National Police [PNP] Health Service generals and senior officers, and National Bank officials have been found guilty of embezzling $1.123 million from the Police and Sanitary Personnel Health Fund (Fospolis).

The Interior Ministry Social Communications Office (Ocosmin) reports in official Communique No. 2 that this was the outcome of an investigation ordered by the interior minister into serious irregularities discovered in the management of Fospolis funds.

Fospolis was created to handle the health problems of PNP personnel and their relatives.

According to Ocosmin, the investigation showed that $1.123 million was embezzled between 1989 and 1990.

The communique explains that these funds were unduly allocated for other activities and, therefore, the people indited are guilty of committing crimes against public administration (abuse of authority and embezzlement) and crimes of disobedience and neglect included in and punished by the Military Code of Justice.

Therefore, a decision was made to file criminal charges against former government officials Maximo Agustin Mantilla Campos, Jose Uchuya Capcha, and Cesar Quesada Cueto for crimes against public administration (abuse of authority and embezzlement).

In addition, a decision was made to file criminal charges against National Bank officials Pedro Monzon Abate and Juan Antonio Angulo Alcantara for the same crimes.

Charges of disobedience and neglect will also be filed against PNP Health Service General Manuel Galvan Montoya, retired, a former PNP Health Service director; PNP Health Service Colonel Alfredo Altamirano Cordero, retired, a former PNP Health Service central hospital director; PNP Health Service Colonel Guillermo Quinones Chavez, a former Fospolis general manager; PNP Health Service Colonel Felipe Nicho Oyola, the Fospolis accounting office chief; PNP Health Service Captain Rodolfo Fuentes Palomino, who also works for the [Fospolis] accounting office; and all other people involved.

The Ocosmin communique states that the Inspector General's Office has been asked to investigate Interior

Ministry purchases and the use of budget allocations during the 1985-1990 period.

Office for 'National Dialogue' Created

PA2504041992 Madrid EFE in Spanish 0605 GMT 24 Apr 92

[Text] Lima, 24 Apr (EFE)—The Peruvian Government has created the coordinating office for the "National Dialogue for Peace and Development," proposed by President Alberto Fujimori on 22 April in his schedule for the return to democratic legality.

The office will be subordinate to the president of the Council of Ministers, a post now held by Prime Minister Oscar De la Puente, according to a decree published in the official gazette "EL PERUANO."

The decree states that the new organization was established after the government called for a national dialogue in an effort "to seek alternatives to solve the country's problems."

It notes that the representative organizations of Peruvian society participating in the dialogue will have to accredit their delegates with the technical secretariat of the coordination office.

Fujimori's call for national dialogue has been rejected by the regime's opposition, who argue there can be no dialogue "with an usurper."

Media Association Issues Communique on Crisis

PA2404181592 Lima Global de Television Network in Spanish 0100 GMT 24 Apr 92

[Communique issued by the Peruvian Radio and Television Association in Lima on 23 April]

[Text] Peru is experiencing a deep crisis. The break in the constitutional order and the establishment of a national emergency and reconstruction government has brought about the condemnable disruption of the state of law. In this situation, the chief of state has announced a political timetable that includes plebiscite-like consultations that are not planned in our democratic system.

The Peruvian Radio and Television Association [Asociacion de Radio y Television del Peru] believes that it will not be possible to legitimize the return to constitutionality without the existence of a climate that promotes dialogue and in which there will be unrestricted exercise of freedom, especially freedom of expression and information, which are the basis of the other freedoms.

In this regard, we must stress that the existence of constitutional guarantees must be recognized explicitly because they are not open for any discussion. In addition to being inviolable, they fall outside any disagreement about the organization of the state, which is the cause of the conflict we are experiencing.

During the established one year period, it is necessary and urgent that the government not only scrupulously respect the people's right to freedom of information, opinion, speech, and broadcasting, but also that it commit itself to duly guarantee them. In our view, this step is a basic requirement.

[Issued] Lima, 23 April 1992

[Signed] Peruvian Radio and Television Association

Venezuela

'Virtual State of Siege' Reported in Merida

PA2504184092 Hamburg DPA in Spanish 1710 GMT 25 Apr 92

[Text] Caracas, 25 Apr (DPA)—On 25 April, the regional Government of Merida, 680 km southwest of Caracas, ordered the takeover of police headquarters, the members of which have been on strike since 22 April. Meanwhile, the National Guard intensely patrols the city, where several violent protests have taken place this week.

There has been a virtual state of siege in the city since early this morning, political sources have told DPA.

Jesus Rondon Nuceti, governor of the State (Province) of Merida, has ordered the authorities to reorganize the police, the members of which demand, in an action atypical for them, higher wages and other benefits.

Uniformed men who do not report for work will be discharged, according to a decree issued on 25 April by the governor in this city. Merida has been filled with tension after three days of continuing protests by students and other sectors.

A commission of military and high-ranking Interior Ministry officials sent from Caracas, together with officials representing the Governor's Office, has reportedly failed in its effort to resolve the conflict. The conflict has resulted in student protests, the looting of more than 20 stores, and an unspecified number of wounded and injured.

The decree issued by Rondon Nuceti asks the National Guard and the Army to carry out police functions until the police force is reorganized. According to journalists in Merida, policemen have threatened to take up arms, because they still possess their weapons.

However, a spokesman for the Governor's Office has stated that the takeover of police headquarters was peaceful and that some strikers have returned to work. The outcome of the situation could be difficult to predict, but the weekend recess will perhaps reduce tensions, experts have concluded.

Arrests, $5 Million Losses

PA2504164992 Hamburg DPA in Spanish 1540 GMT 25 Apr 92

[Text] Caracas, 25 Apr (DPA)—The arrest of approximately 20 hunger-striking students, an unspecified number of injured, and massive material losses are the partial result of the violence that this week shook the Venezuelan city of Merida, southwest of Caracas. The violence in Merida has had some effect in this capital.

The National Guard continues to control the city, a tourist and college town located in front of the snow-capped Andean Sierra of Merida. Civilians and uniformed men have clashed for three consecutive days in this city..

About 30 stores were looted in Merida and several vehicles were set on fire. Private sector sources have estimated the damage at approximately $5 million.

A break from street violence is expected over the weekend, but tension remains high and the protests could resume on 27 April, it was reported.

On 27 April, a commission of representatives of different economic sectors will travel to Caracas to explain to Interior Minister Luis Pinerua that "there is absolute lack of authority" in Merida, according to Nester Trujillo, president of the Merida Chamber of Commerce.

The cause of the disturbances was an irregular police strike, which continues despite the efforts by a commission of military and high-ranking Interior Ministry officials sent from Caracas to the scene of the conflict.

There were also demonstrations at the Central University of Venezuela in Caracas and in Caricuao, in the western part of the capital, for different reasons. Historically, the causes of such demonstrations have different origins, such as to protest budget matters or transportation rates, or to show solidarity with an institution or organization.

Police Strike May Spread

PA2604171292 Hamburg DPA in Spanish 1524 GMT 26 Apr 92

[Text] Caracas, 26 Apr (DPA)—The police strike affecting the Venezuelan city of Merida that began on 22 April could spread to Caracas, where police sources say that on 27 April they will hold a sit-down strike to demand better wages and satisfy other claims.

Meanwhile, 20,000 oil industry workers in Zulia State have announced that they will go on strike, also on 27 April, for the same reasons as the police (better wages and other benefits).

The ULTIMAS NOTICIAS tabloid warns in its headline that Caracas could end up unprotected by tomorrow's strike. The morning newspaper EL DIARIO DE CARACAS believes that the "peaceful" police strike will spread to neighboring Miranda State.

According to these two newspapers, the protests are of a monetary nature, but have political undertones. Caracas police will demand the ouster of Brigade General Jesus Rafael Caballero, National Guard commander.

Caracas metropolitan police believe that this high-ranking officer is "persona non grata" because he has done nothing to improve their lot, EL DIARIO DE CARACAS says.

Meanwhile, in Merida, 600 km southwest of Caracas, the situation remains tense after four days of an unusual police strike, despite the fact that the National Guard took military control of the city and Governor Jesus Rondon Nuceti ordered the restructuring of the regional police.

Several dozen policemen have been fired following this restructuring, but the strike continues where for three days there have been violent protests led by university students and students of other levels.

The result, which could be only partial, is approximately 30 stores looted—some of them set on fire—several vehicles burned, and an undetermined number of people injured and arrested, according to sources in Merida.

Meanwhile, Nestor Lopez, rector for the University of the Andes, which is based in Merida, asked for brigades to be formed to face what he calls terrorism and warned of the possibility that the university may eventually be closed.

The rector said that 25 Merida businesses were set on fire on 23 April. So far in 1992, the same number of cars were burned as were burned during all of 1991. "That is terrorism and we must fight it, he said. [no end quotation marks published]

In the aftermath of the Merida situation, President Carlos Andres Perez said that events in that Andean city must be investigated and those responsible for the police uprising must be punished.

The oil strike in Zulia—Venezuelaz's most active hydrocarbon center—will begin on 27 April unless there is a satisfactory reply to the sector's labor demands, union leaders said in Maracaibo, the state's capital.

The striking workers represent over 40 percent of the industry's total, which was nationalized in January 1976 during Perez' first term in office.

Defense Minister on Coupist Crisis, Reform

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[Report by Alfonso Navarro]

[Text] Caracas, 25 Apr (NOTIMEX)—Venezuelan Defense Minister Fernando Ochoa Antich admitted that traces of leftist subversion remain in this country, but gave assurances that there is a "very firm" trend toward normalcy within the Armed Forces.

"Very slight traces of leftist subversion rode the wave of initial popularity" of the foiled 4 February military uprising that killed 17 people, Ochoa said in an interview with NOTIMEX.

He added, however, "I do not believe they have enough strength to gain power by force" or attack President Carlos Andres Perez or Venezuelan personalities, as General Herminio Fuenmayor warned.

Ochoa said at the official Defense Ministry residence that during the current process of restoring internal unity within the National Armed Forces (FAN), "very small groups" of soldiers connected with the "Bolivarian Movement," who encouraged the uprising, were detected.

Regarding Venezuela's current internal crisis as a result of the drop in oil income during the 1980's, worsened by the military rebellion, the minister said the country demands profound political reforms, which must include the end of priviliges.

He also reiterated his "doctrinaire rejection" to February's uprising, because the solution to Venezuela's problems are in civilized changes to gain political reorientation.

Ochoa said the people showed a resolve for peaceful changes amid Venezuela's crisis.

"We have had a crisis for a very long time and the only two outbreaks that were relatively awkward were on 27 February (in 1989 with sessions of looting and disturbances leaving 400 dead) and on 4 February (1992). We are sure we are going to overcome the crisis," Ochoa said.

The effects of the current social unrest in this country of 20 million inhabitants started last decade when "oil income per capita started to decline from $1,800 to $600," Ochoa said.

He said that added to this situation was the "lack of capacity of national leaders to adapt the country's stuctures to this new income reality."

Ochoa indicated, however, "that revolutionary experiences lead to experiences that are far more regressive" and the FAN "wants a peaceful change."

Ochoa did not rule out that President Carlos Andres Perez could extend his stay in office beyond the 5 July date earmarked for his departure.

He said the Defense Ministry's challenge is to restore FAN internal unity to guarantee a peaceful change of government and overcome February's institutional split.

Ochoa, however, warned that if the political sector "is not able to interpret the need for change because it does not have the brains to do so, it is going to be involved in some type of crisis," but he preferred not to speculate on its duration.

He trusted the current process to reform the Constitution, which includes reforms to the judicial branch, creation of the prime minister's post, and the possibilities of calling a Constituent Assembly, will be positively accepted by Venezuelans.

"If the reform is managed intelligently, Venezuelans will vote in the referendum, (but) the country will not accept tricky policies [politicas gatopardianas], which only entail a shuffling of power to maintain privileges," Ochoa Antich added.

Regarding the possibility that 150,000 soldiers will participate in the future referendum on the reform, Ochoa stated the military does not "give great importance to the vote" of the FAN, as the 1981 Constitution gives the Armed Forces an apolitical and nondeliberative role.

He said the FAN's "opinion has a great weight in the state" and military approval "would lead to a greater democratization of the Venezuelan political process."

Later on, Ochoa denied the probability of amnesty for the coupists, which was recently requested by their relatives and local humanitarian groups. He said President Perez and the FAN have an interest in "helping" the arrested people and will act with strict adherence to the law in the trial against the coupists.

"The president has accepted my suggestion of offering (trial suspensions) in a number of important cases and I believe (there can be) a few more," the minister said.

He said only 55 officers remain in prison. The original number of officers arrested on 4 February was 357, followed by approximately 1,000 soldiers.

Ochoa expressed his belief that a "great number (of soldiers) were involved by circumstances and obeyed orders due to solidarity, but without being truly convinced" of the rebel cause.

He deplored the attitude of coupist leader Hugo Chavez, who "kidnapped" two military prosecutors and the Yare penitentiary military director a few days ago, to demand better conditions for the coupists.

"His popularity is starting to slide and they try to keep themselves in the national foreground with scandalous events," Ochoa, who headed the counteroffensive against the coupists, noted.

The officer said "very small groups" of FAN soldiers identified with the Bolivarian Movement had been

detected recently. He added the last occurrence of this type took place at the Air Force Technical Academy in Maracay.

A lieutenant and a student were arrested after last week's event, which sparked rumors and alarmed political leaders. The soldiers involved, he added, "tried to talk to another student about political matters and the Bolivarian Movement." Ochoa, however, denied "a meeting or an attempt to revolt" had taken place, as local media reports indicated.

After asserting "it is impossible to imagine we can resolve all the Armed Forces problems immediately," he said the military institution advances with "a firm trend to recover normalcy and discipline."